THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXIII Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, JULY 1, 1939 ★ 10c a Copy; $5.00 a Year No. 26

The Nation's Business

Canada Needs These New Job-makers

IN 1842 a young American came to Hamilton to start a foundry. He gave Canadians jobs, built up an industry known in tens of thousands of homes across Canada. His name was Gurney.

In 1857 another young man arrived in Canada with energy and an idea. He started a distillery. His name was Hiram Walker.

The annals of Canadian business history are filled with the story of immigrants who came to this country to take a leading role in our business life. Many of them came at a time when there were already unemployed. Their coming invariably created new jobs, new opportunities. Without question, Canada benefited them then and every Canadian has profited from their success.

Appearance of similar opportunities on a large scale comes to a nation but seldom. Yet Europe's present tragedy is now Canada's opportunity. The interest of European industrialists in opening plants here is just starting. Already European industrialists representing a capital of at least $30 millions have signified their wish to establish in Canada.

Canada cannot afford to reverse its role as a land of opportunity for industrial expansion. On the contrary, everything in our power must be done to capitalize the opportunity for new jobs and new investment afforded by Europe's present distress.

• • •

One Major Reason For General Election

IT IS NOW generally accepted that there will be another general election in the fall of this year. This probability leads many newspapers and commentators to ask: Why?

The important answer is that by August of this year one of the most significant documents in Canadian history—the report of the Rowell-Sirois Commission on Dominion-Provincial Relations will be in the hands of the Government. If these commissioners have done their work as well as advance notices indicate, they will place before the Dominion Government at that time, comprehensive, far-reaching plans for adjusting the whole field of Federal-Provincial relations on a scale never previously attempted in this country's history.

If the Federal Government is prepared to take a definite stand one way or another in respect of these recommendations, then it has every right—and, in fact, it has a duty—to go to the people for a mandate supporting its position.

But if time or other circumstances do not permit a definite commitment then it would be far better for Canada to hold an election without such commitment would be a cheap form of political trickery. It would be deliberate evasion of an issue that must be faced fairly and squarely before any real progress is made in respect of major matters of Canadian national policy.

FOR TOO long, vital matters affecting social and economic policy in Canada have been sidetracked through failure of the national Government to take a firm and courageous line of policy.

Originally, vigorous policy in respect of unemployment and relief matters was withheld pending the report of the ill-fated Purvis Commission. When that report did appear, failure to pursue vigorously some of its most important recommendations was excused on the plea that the larger question of Federal-Provincial relationships must first be probed.

For the present Government to seek return to office without a definite commitment on the forthcoming findings of the Rowell-Sirois Commission would be to further and needlessly postpone action now long overdue in vastly important areas of Federal policy. Once the Government has read and digested the report, the way should be cleared for a clear-cut line of policy, followed by an immediate appeal to Canadians to support or reject governmental policy.

Until the Government has declared its policy an election is a waste-ful and flagrant evasion of responsibility.

• • •

Business Leadership Suffers Great Loss

THIS COUNTRY could ill afford to lose the two business leaders whose deaths were reported within the past week.

In Julian C. Smith the native and basic power-producing industry which has meant so much to Canadian development lost one of its most outstanding personalities. For a generation the company which he so ably guided has been one of the most successful and constructive corporate enterprises in the Dominion. Little more than 60 years of age, Mr. Smith was reaching a time of life when many productive years of leadership should still have been forthcoming.

As for the late James A. Richardson it is hard to know where he will be missed the most.

Few men of his age and generation (he was only 54) have lived an active, useful and virile life. His own widespread business operations, inherited from his father, in finance, in university and philanthropic work, and war as interpreter between Western and Eastern Canada, "Jimmie" Richardson had few

(Continued on page 2, col. 4)

May Modify Ending Gold Price Power

U. S. Senate Action Seen as Political Move

APPRAISE RESULTS

Immediate results and possibility of future modification of the United States Senate's move to end President's power to devalue the dollar further, are currently being appraised in banking and business circles.

Under previous legislation he had been empowered to devalue the U. S. dollar to 50 cents of its old gold value. Its present level is 59 cents in terms of the old dollar. The legislation provided that the authority would end June 30, 1939, unless renewed. On June 26 the United States Senate voted against its renewal.

It is pointed out, however, that while the Senate voted against continuation of section 12 of the Gold Reserve Act of 1934, which gave the President authority to change the value of the dollar, section 8 of the same Act which empowers him to buy gold at any price is not affected. Under this section, by varying the price paid for gold, he will still be able to vary the quotation of the U. S. dollar on the foreign exchange markets. Presidential authority over the $2 billion stabilization fund moreover, still remains till June 30, 1941.

Bankers are now appraising the effect of this action and discussing the next probable move. In some quarters the action is regarded as more likely to have political than financial effects.

Status Quo Preserved

Suggestions that the President might act before the deadline and devalue the dollar to the full limit were scoffed at by Mr. Roosevelt himself. In commenting on the development, he said in effect:

"For five and a half years we have had the right to devalue the dollar from fifty-nine to fifty cents. We have not used the authority and there is absolutely no intention of using it unless some of the principal nations of the world start to take another crack at us the way they did in 1931, and it took us three years to recover. Then we had a rigid exchange, but as long as we have the right to devalue by 18%—it is a matter of betting odds—the chances are ten to one we will not have to use it."

Drastic Action Unlikely

Canadian bankers also discounted the possibility of any precipitate devaluation.

Such a move, it was stated, would be very upsetting to the international financial structure. It would completely upset the tri-partite agreement on foreign exchange to which Great Britain, France and the United States are parties. It would also upset the recent Anglo-Canadian-United States trade treaty; possibly to the extent of nullifying it.

Dollar Rigidity

Disadvantage seen in the present position is that it makes the United States dollar much less flexible than it was. Formerly the President had power to adjust it to other currencies if desirable by devaluation. For instance, if through armament expenditures, adverse trade balances or other causes, the pound fell to $4.50, the Canadian dollar to 90 cents or the French franc to 2.30 cents in terms of the U. S. dollar, the President could by devaluation bring the latter into line with one or all as desired.

Now, however, he cannot do so. Only Congress can, which is a much less flexible way. For this reason it is thought that after thus giving a snub to the President, some means of giving the dollar its former flexibility, while limiting the powers of the President, will be found.

Bound up with the discontinuation of the devaluation powers was the vote of the Senate to increase the price which the United States Government will pay for domestic silver to 77.4 cents an ounce, compared with 64.64 cents. Further, Senate move to withdraw the Government's authority to purchase foreign silver had an unsettling effect on exchange in countries where silver is an important factor.

Many Firms Seek Royal Warrants

But Cannot Get Them Without Long Sales

From Our Own Correspondent

OTTAWA.—A file of correspondence about 18 inches high with the Dominion authorities here, testifies to a general expectation among business firms that there will be a generous granting of royal warrants as a result of the Royal tour.

The granting of a warrant enables the recipient to show the Royal Coat of Arms and to declare himself to be purveyor to His Majesty.

Enquiry here, however, shows that these hopes are not well founded. The regulations governing the issue of warrants are strict and, it is learned, will not be relaxed in Canada on account of the tour. A company must sell to the Royal household for at least three years before being eligible to receive a warrant. Occasionally the regulations are relaxed but in no case has a warrant been issued to a firm which has not served the household for at least six months.

Mont. Power Profit Holding At 1938 Level

Operations More Extensive But Taxes Keep Down Net Income

NO DIVIDEND CHANGE

From Our Own Correspondent

MONTREAL. — Operations and earnings of Montreal Light, Heat & Power Consolidated for the first half of 1939 were somewhat ahead of the like period last year, but owing to the increase in taxation, net profits were on much the same basis.

The primary power load has shown a small but satisfactory increase for the present year. Returns for June are not yet available, but to the end of May electricity output in the Montreal area, exclusive of secondary power, was up 4.42% over the same period in 1938. Returns for the gas division were not so favorable, a decline of 2.10% being registered.

Net About the Same

Revenues from other sources are holding up reasonably well, while in the aggregate they were moderately higher for the half year. There have been no material changes in operating expenses, so that ordinarily net profits would have been slightly higher. However, the increase in taxation has held down the net figure to the 1938 level.

With the present trend continued earnings on the capital stock this year are likely to be under $2 a share. In 1938 the company reported $1.94 a share and paid out in dividends $1.50 a share.

While the current dividend is being covered by a comfortable margin, there is no immediate prospect of an increase in the distribution, The Financial Post understands.

Rate Enquiry Under Way

One reason for the expectancy that the company will not take any action in the near future toward increasing the dividend was brought out in the last annual report. In it mention was made of the fact that the Provincial Electricity Board had inaugurated an enquiry to determine the reasonableness of the company's electricity rates.

While this enquiry was initiated during 1938, it is understood that the work did not properly get under way until the beginning of the year. At present a staff of the Board's engineers, accountants, etc., are making a survey. This work may not be completed this year; in fact, it is not likely to be done until toward the end of 1940.

Reduce Interest Charges

A number of changes have taken place in the company's capital setup since the beginning of the year which tend to increase the earning power back of the common shares. Last July nearly $21.7 millions of the old 3¾% debentures were redeemed. They were replaced by $15 millions of 3% 10-year debentures and $5 millions of 2¾% 5-year debentures. The balance of the funds necessary for the redemption of the old security was made up out of cash resources. A small saving in interest charges was effected thereby.

Again in May the company's subsidiary Cedar Rapids Manufacturing and Power Co.'s $13 millions of 5% bonds were redeemed and replaced with a $13 millions issue of the parent company carrying a 4% coupon. Additional interest savings accrued from this transaction.

No further change is contemplated by the company in respect to the Beauharnois set-up; at least, for the time being. Eventually it is the intention to liquidate Beauharnois Power Corp. along the lines mentioned in the last readjustment. For the time being the cost of keeping this company alive is negligible and no material savings would accrue from its winding up. Beauharnois is going ahead with its plans for bringing the development up to the original figure of 500,000 h.p.

General view of the great Bata shoe factory at Zlin, Czecho-Slovakia. Some machinery from this plant has already been taken out of the country for installation in the proposed plant in Canada.

Bata Plea for Plant Here Raises National Problem

Entry of Huge Czech Shoe Industry Debated at Ottawa—Past Canadian Business Growth Speeded by Foreign Enterprise Settling Here

By RONALD A. McEACHERN
Staff Writer, The Financial Post

Prospects are regarded excellent for the Canadian Government accepting a revised application for admission to Canada submitted by Thomas Bata, Czech shoe manufacturer, and considered at a special Cabinet meeting this week.

Mr. Bata originally requested permits for 250 key men plus families to come to this country. The revised application, drawn up after consultation with immigration authorities, is understood to reduce that number sharply, with 100 being mentioned in well informed circles.

It is understood that the Government takes the view regarding admission of the 250 Bata technicians that this really means giving entry to more than 800 altogether — workers, wives and families. Many of these, after they had established themselves here, would acquire the right to bring other relatives to Canada.

Not all these Czech workers would come to Canada immediately. Only about 30 would be required in the next few months, the rest to come as plant operations expanded.

Most reports have exaggerated the amount of money the Bata organization now plans to invest here. A reliable source states that about $1.5 million would be involved in immediate plans.

While at least a score of Canadian centres have sought to interest Mr. Bata in settling in their communities, no decision has yet been made, he told The Financial Post. Other sources claim that the firm's preference at present is for the town of Frankford, near Trenton.

Employment would be given in the early stages to about 2,500 Canadians, it is planned, a number which will increase with the expansion of the Canadian operation.

The entry of the Bata organization may mark the beginning of a major era in Canada's industrial growth—if Canadian politicians and businessmen will seize the opportunity and make the most of it, many Canadian business leaders believe.

Scores of European industrialists have been investigating Canadian possibilities. At least a score are likely to apply for admission in the near future. It is estimated that some $30 millions in capital is represented.

In one week recently six European manufacturers were admitted, each with capital varying from $200,000 to $1 million. Industrial commissioners in major Canadian cities all report they are negotiating with European and a few British firms.

Not by any means are all the manufacturers and "key men" coming to Canada "refugees," it is learned. Only a few have been driven from their native homes. Only a few are Jews. In the vast majority of cases they are merely businessmen who fear that the long-term outlook for affairs in Europe is not good; that the business climate is unhealthy; that Canada offers security and profit.

Why the Rush?

Why are so many Europeans turning to this country?

The Financial Post asked that question of a European industrialist studying possibilities here, a Dutchman. He had six reasons at his finger-tips.

Canada is 3,000 miles away from the scene of any conceivable war.

Canada has British parliamentary institutions with all that those institutions imply with regard to respect for law, order and contract rights.

Canadians are a sane, sensible people as their record proves who believe in private enterprise. Canadians, he thought, are the most conservative people in the world.

Canada has great resources and needs capital for their development.

Canada has an unrivalled position with regard to world trade. Canada is part of the British Empire, hence has special privileges within this vast market. Canada has excellent trade relations with the United States.

Canada is reasonably close to the market of continental Europe, also to the markets of South America and the Orient.

Prefer Canada

The Dutchman was asked why he did not put his money or his factory in the United States. Once again, he had a positive preference for Canada. He admitted that the prospect in the U. S. indicated greater immediate returns, but went on to add that the future course of legislation there was unpredictable. That security was what he wanted above all, and that he would gladly accept probable smaller immediate returns for greater security.

Canada has many natural economic advantages; advantages that will always or long remain. In the present generation, economists claim that the world's money capital has shifted across the Atlantic—from London to New York. Many see a well-established, long-term trend taking the financial and industrial centre of the western world to North America.

Europe's tragedy is Canada's opportunity is a view espoused by an increasing number of Canadians. There are many possibilities for Canada in the way of new industries, new wealth, new production and new consumers.

An Opportunity

Does Canada want them?

Does she want to take advantage of this opportunity for enlarging her economic and social stature?

Should Canada encourage, seek out and pave the way for more industrial leaders like Thomas Bata?

Oscar D. Skelton, Canada's Under-Secretary of State for External Affairs and distinguished economist, formerly of Queen's University, has written: "Canada's rapid develop-

(Continued on page 2, col. 3)

Highlights

Important as a promising new producer, establishment of Jack Hammell's new Uchi mine means that a great new area of northwestern Ontario is more readily available and more attractive to mining interests. Pioneering by Uchi has brought lower transportation costs, electric power, a standing invitation for further prospecting activity.

Uchi—p. 15.

• • •

U. S. Senate move to terminate President Roosevelt's power to devalue the U. S. dollar — in other words, to raise the price of gold—may be reversed or modified, some observers believe. Chief results if the power is discontinued are appraised in

Week in Mining—p. 14.

• • •

Aircraft Industry's improved prospect of developing into a stable and active economic unit in Canada, is weighed from various aspects in a special feature of this issue.

Aircraft Section—p. 9-11.

• • •

Canadians generally lack full appreciation of the exceptional tourist-vacation resources of their own country, particularly of such distinctive attractions as the magnificent national parks and inland ship cruises.

Travel Page—p. 8.

General Index on p. 2.

Great Lakes Maintains Net

Full Year's Operation May Reach 70% of Capacity

Given a continuation of conditions as they have prevailed for the first half of 1939, Great Lakes Paper Co. appears likely to show earnings at least as good as last year's.

Much, of course, depends on the outcome of any further steps that may be taken to enforce complete prorating on the company. As mentioned previously in The Financial Post, Great Lakes is continuing to supply newsprint as called for under its long-term contracts with its customers. It has reallocated the contract obtained late last year from the Milwaukee Journal to other Canadian newsprint producers for this year only.

Originally thought to require only about 20,000 tons this year, it is now indicated that actual shipments under this contract will be closer to 30,000 tons. The Milwaukee contract applies only for 1939 and it will be the subject of negotiation at the end of the year.

Look For Some Gains

For the first half of 1939, Great Lakes has been producing at around 65% of capacity. Favorable outlook for July and August shipments, and the building-up for the seasonal pickup in the fall before closing of navigation, leads to the belief that operations for the full year may average close to 70% of capacity. This would compare with an actual rate of 67% of capacity for 1938 when net earnings were equivalent to 67 cents a share on the combined A and B shares.

Operating costs have apparently not varied greatly for Great Lakes from last year. There has been some rise in pulpwood cost as a result of conditions prevailing in 1937 and 1938, but it would seem that actual earnings are running close to last year's levels.

With regard to prorating, Ontario Department of Lands & Forests representatives state that there has been no change in the province's attitude that all newsprint companies must adhere to the legal requirements of the statutes governing the forest industry. Whether or not this means that further steps will be taken to enforce the regulation of newsprint production cannot be ascertained as yet. Undoubtedly the two Ontario companies chiefly involved, Great Lakes and Minnesota & Ontario Paper, would be well pleased to be allowed to continue as at present, at least for the current year.

Industry and Government Consult on Arms Orders

Industry and government in Canada jointly sought this week means to develop Canadian sources of war materials for both Canadian and British requirements.

At a special midweek cabinet meeting in Ottawa, initial study was given, it was reported, to proposal to utilize to a greater extent Canada's industrial capacity for meeting Canada's rearmament needs, and to dovetail this with further development of Canada as a secondary source of British defense supplies.

Prime Minister King previously had consulted with spokesmen of the Canadian Manufacturers' Association on mobilization of Canadian industry as a whole, to perform British and Canadian arms orders in conjunction. At time of going to press, results of this conference were not definitely known but were understood to be slated for discussion by the cabinet.

Appeal to Prime Minister

Visit of the C.M.A. delegation to the capital followed up the letter sent to the Prime Minister after close of the Association's annual meeting last week. In this it was urged that the Canadian Government should invite the British Government to send a mission to this country to explore means by which potential capacity of Canadian war materials industries could best be developed.

It was also suggested that a group of Canadian manufacturers experienced in production of arms supplies, journey to England with Canadian Government support. Such a delegation could function either to obtain information as to British needs that Canada could meet, or to lay a preliminary groundwork in conjunction with the proposed British mission, should such a body be appointed.

The letter asked for an opportunity for Association representatives to meet with Mr. King and his colleagues, to submit information and recommendations bearing on the question. It pointed out that production of war supplies in Canada during the Great War was of great importance, not only to Canada but to other Allied countries.

Association Concerned

While interested in obtaining British orders and giving Britain assurance of a secondary source of arms supplies, the Association is primarily concerned with "danger of a sudden outbreak of war in the near future, the unprepared state of Canadian defenses, the vulnerability of Canada to attack." It believes that Canada can obtain her own essential supplies more quickly and cheaply if her orders are placed in conjunction with British orders obtained in collaboration with the Canadian Government.

The Association also believes that best results can be obtained if the experience, skill and resources of Canadian industry as a whole are organized on an inclusive basis.

Upswing of Confidence Reflected by Liberals

Recent Regional Developments Dissipate Gloom of Grits

ONTARIO FEUD OVER?

From Our Own Correspondent

OTTAWA. — Warranted or not, there has been a remarkable upswing in the confidence of the Liberal party at Ottawa in the past week or so.

Liberals who, a month ago, were jittery about wheat, unemployment, trade and many other matters have suddenly become ardent optimists. They are inclining to think of the coming general election as a walk-over.

While Liberal optimism may be discounted heavily, the reasons for it appear to be facts of public interest.

Ontario Outlook Clears

The first fact is that the dread of schism between Federal and Ontario Liberals has been dissipated. The inside story runs that a fortnight ago a Liberal member of the legislature announced his intention of supporting his Dominion colleague in the election. A score or more provincial Liberal members echoed this sentiment.

It is learned that Premier Hepburn while he has not modified his view of Premier King, has told his supporters that they can do as they please without incurring his displeasure. As a result, so Ottawa hears, at least two of the provincial cabinet, and perhaps more, have already pledged themselves to campaign for the Liberal members in their districts.

It is reliably reported that Mr. Hepburn himself will have a kind word to say for W. H. Mills, M.P. for West Elgin, although he will not abate one jot his antagonism to Mr. King.

Western Prospects

In the Prairie Provinces, Liberal fears centred upon the wheat price, which, at 70 cents, was lower than the farmers expected. There was, as well, the danger that the left wing groups would form a united front. Current crop prospects are for a bumper harvest and it is felt that when western farmers gather in 450 million bushels of wheat or more (provided nothing happens in the meantime to blight this hope) they will realize that they are doing fairly well out of the public treasury.

And the feared united front is almost certainly not going to be formed. Speaking in Regina a few days ago, M. J. Coldwell, C.C.F. member for Rosetown-Biggar and the deputy leader of the party, damned the united front movement bell, book and candle. There can be no, he said, in trying to unite with organizations that are working in opposite directions—that way lies fascism.

In three (or more) cornered fights, the Liberals are confident of holding their own in the West. This, coupled with crop prospects, accounts for most of the increased optimism in that quarter. Another bullish factor, however, is the knowledge that Premier Bracken, leader in the drive against the Gardiner wheat policy, will do nothing to embarrass the Government.

Maritime Optimism

The optimism of the Maritime Liberals is more difficult to understand. To begin with they are extremely cocky so far as the election is concerned. But they now believe that an invasion of the Herridge party would assure them one more of a clean sweep (they now hold all but one of the 26 seats).

Meantime Mr. King is said to be planning his line of campaign and it is fairly certain that it will reflect the Royal tour in which he played a conspicuous part. His line, it seems, will be that never before have Their Majesties united Canada as it has never been united before. The thing to do is to exploit this feeling of unity to the utmost by drawing the provinces and the Dominion closer together and seeking by co-operation to solve the problems now confronting the nation.

Mr. King will have the report of the Sirois Commission in hand as the basis for the formulation of national policies at a Dominion-provincial conference to be held following the election.

Disquiet in West

By STAFF WRITER

VANCOUVER.—Usually at variance in their outlook, both businessmen and politicians on the coast, and to a considerable degree on the prairies, view prospect of an October election with disquiet.

Throughout the West, feeling in many quarters is that an election within the next few months may produce a near-chaotic condition. The fear is that the C.C.F. and other leftist groups will make sufficient gains in B. C. and the Prairie Provinces to cause a stalemate. This, in turn, it is argued, might bring Liberals and Conservatives together into a union government to guard against possible combination of the leftist and "what not" groups.

In Vancouver, some businessmen openly declare they are ready to vote C.C.F. because of the alleged futility of the old line parties, and lack of confidence in the leaders of either. Neither those who fear the futility of the C.C.F. nor those who believe that the C.C.F. can control Parliament, but see the prospect of a combination which would give it a majority over either the Liberals or Conservatives.

Dosco Sets Pace Pig Iron Output

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal's pig iron production at Sydney during May recorded a sharp increase, amounting to 25,000 long tons as against 19,000 tons the month before. This is the largest output reported by the company in any month during the past year.

Indications are that this rate of production will be reasonably well maintained during the balance of the summer months, which should bring cumulative production up to and possibly exceed that for 1938.

June Moisture Best in Years

Western Crops Never Better at Beginning of July

From Our Own Correspondent

CALGARY.—The western grain crop enters July in as good condition as it has ever been known in western Canada. Moisture in the ground is ample to carry it through a lengthy period of dry weather. There may have been wetter Junes in the past in the West, but since grain growing became extensive there has been no June in which a greater tonnage of water has fallen on grain fields.

Alberta continues to lead western provinces in total precipitation for the month. Over most of that province the hope is now for warm and sunny weather. The Peace River country is the only part not thoroughly soaked and where there is any desire for rain in the near future. That area has also suffered some damage from cut worms, which it is hoped has now passed the maximum.

Grasshoppers continue to be a threat to many millions of acres, mainly in Saskatchewan, with smaller affected areas in Alberta. So far they have been kept in check by wet and comparatively cool weather. There are hopes that the general the crops may keep ahead of grasshoppers in development.

Manitoba Crop

The crop in Manitoba, as a whole, got off to a much earlier start than that in the other provinces, and in spite of cool weather has been advancing well toward maturity. It is quite possible that some of it will be harvested and delivered before the end of July, in time to catch the 80c. Wheat Board price which is guaranteed until July 31.

Much of the crop in the other provinces is still short, but because of heavy stooling and well-rooted condition is regarded as entirely satisfactory.

Cockshutt Plow Hopes for Gain

Good Crop Developments Expected to Offset Sales Decline of First Half

Cockshutt Plow Co. anticipates that continuation of present favorable crop conditions in western Canada will result in a demand for farm machinery in excess of last year's business, states C. Gordon Cockshutt, president. As sales in the last half of the year normally account for about two thirds of the year's business, this increase is expected to offset the spring decline and bring the year's total sales up to the 1938 figure.

With the price of western wheat set at 70 cents a bushel for No. 1 Northern at Fort William, physical volume of the crop will largely decide purchasing power. At present this 70-cent price only applies to the first 5,000 bushels from any grower, but prospects are that a 60-cent price will be guaranteed on the balance through a pooling arrangement. An average or better crop is expected, by Mr. Cockshutt, to release a considerable volume of buying through which the implement industry should benefit both from new business and collections.

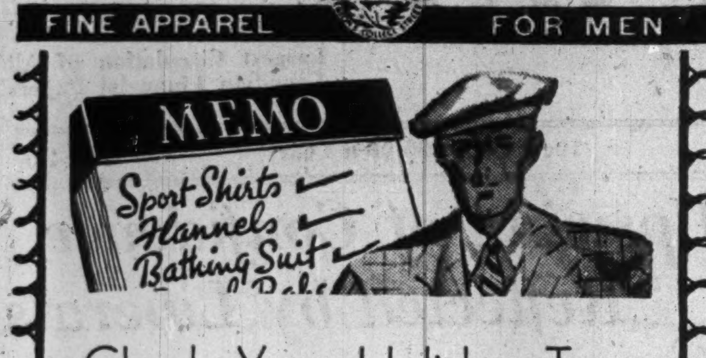
First Half Decline

The first half of the company's year has shown a "moderate decline in sales volume," says Mr. Cockshutt. This situation has paralleled that in the United States and is due chiefly to low levels of prices for grain and dairy products in particular.

An encouraging feature, however, has been the demand for tractors which Mr. Cockshutt feels indicates "that increasing numbers of farmers are adopting modern methods of speedy, low-cost operations." Unsettled international affairs have restricted export sales this year.

For the year ended Nov. 30, 1938, Cockshutt experienced over a 15% gain in sales and an operating profit of $708,435 against $668,042 for the preceding year. Because of unusually heavy write-off against accounts receivable, however, net profit was only equivalent to 4 cents a share against 61 cents for the year before. This write-off is not likely to be needed again this year and a sales volume equal to that of 1938 should result in substantially higher earnings per share.

FINE APPAREL MEN'S SHOP FOR MEN



Check Your Holiday Togs

FROM THIS MEN'S SHOP LIST

Distinctive sports wear and summer wear of the type for which the Men's Shop is noted! And remember free parking while shopping. Particular attention is given to orders by mail!

ENGLISH SPORT JACKETS—Fine Scotch (all wool) tweeds, $10.00 to $18.00.

SUMMER SUITS—Tropical woollen worsteds, $18.00, $22.50 and $27.50. Ready to wear!

CREAM OR GREY FLANNELS—Priced from $5.00 to $10.50.

BLUE FLANNEL JACKETS—All wool, single or double breasted style, $15.00.

SPORTS SHORTS — White or coloured cotton, pair $2.50 to $5.00.

BATHING SUITS — All wool with zipper top and built-in support, $5.95 and $6.95.

SWIM TRUNKS—New cotton, side lace style, $2.95 and $3.95. Others in all wool, $2.95 to $5.00.

Light weight rubberized cotton raincoats, each $3.95.

TERRY BEACH ROBES—Smart stripes and plain shades, various colours, $7.50 and $8.50.

SPORTS SHIRTS — Pullover, crew neck, polo collar, and button front styles in a great assortment of shades or patterns. Wool or cottons! $1.50 to $5.00.

SPORTS AND OUTING SHOES—In various cool, comfortable and correct styles, $2.95 to $8.50.

FREE PARKING WHILE SHOPPING.

MEN'S SHOP

BAY STREET SECTION.

EATON'S - COLLEGE STREET

Big Gains Are Shown In Employment Levels

An important result of the visit of the King and Queen to Canada has been employment given to many Canadians. Industrial employment on June 1 rose 6.50 to 1,098,908 million from 1,032,068 million a month before. On June 1, 1938, 1,068,620 persons were employed.

The increase of 66,840 persons exceeded the average gain on June 1 materially, in the years 1921 to 1938. With the exception of 1928 and 1937, additions to payrolls did not surpass the 1939 figures. A number of establishments reported increased activity due to the Royal visit. In various lines the gains in employment were reported as larger than seasonable.

Falconbridge to Check Molybdenum Discovery

Prospectors have made a new molybdenum discovery in Township 28, Range 23, Algoma district, Ontario, and a total of 65 claims have been staked. Two large firms are reported interested in the new find. Falconbridge engineers are expected to make an examination of the find next week with a view to taking an option on the property.

The molybdenum outcrop is stated to have been traced by test pitting for a distance of 2,600 ft. and has a width of 60 to 120 ft. An average grade of 2% molybdenum is said to be indicated with grab samples running as high as 8.1% molybdenum.

Envelopes for every purpose

Barber-Ellis of Canada, Limited

TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Features

in the July issue

THE CANADIAN CHARTERED ACCOUNTANT

Accounting for gold dredging operations

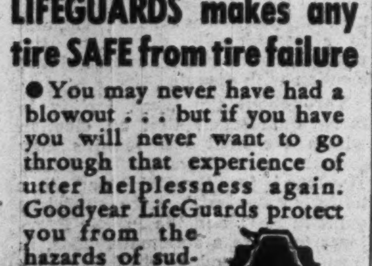
Accounting and administrative system for municipalities

Amendments of Income War Tax Act

Operation of taxes on insurance companies

Published monthly. $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

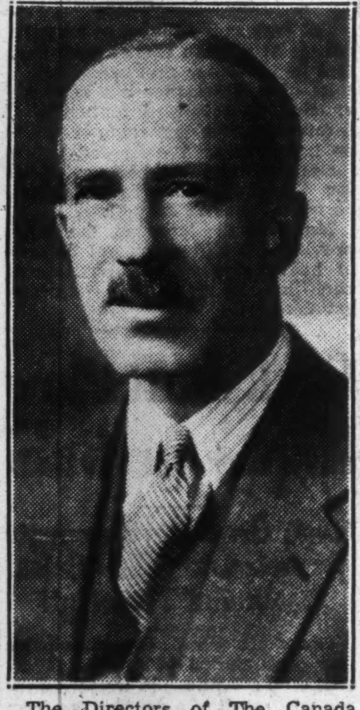
BELIEVE ME! I'LL NEVER HAVE A BLOWOUT ACCIDENT



LIFEGUARDS makes any tire SAFE from tire failure

• You may never have had a blowout . . . but if you have you will never want to go through that experience of utter helplessness again. Goodyear LifeGuards protect you from the hazards of sudden tire failure. Your Goodyear dealer has them. See him today!

GOODYEAR LifeGuards



The Directors of The Canada Trust Company announce the appointment of John R. Harley, London, Ont., as supervisor of bonds and stocks held by the Company for estates and trusts.

This forward step is one that should be favourably regarded by persons of means who have come to realize that corporate management of estates is a highly developed business and practically a necessity for estates, particularly the larger ones where a diversity of investments is held.

Mr. Harley is unusually well qualified for this type of work. He is a graduate of King's University, Halifax, with a Master of Arts degree, and later, at Dalhousie University there, he obtained the degree of LL.B. Subsequently, at the Harvard University's School of Business Administration, he obtained the degree of M.B.A.

In 1920 he became associated with The Guaranty Trust Company, New York, probably the world's largest trust company, and for eight years was a supervisor of clients' investment accounts in connection with the safekeeping department. He left that institution in 1927 to become manager of Harley, Milner and Company's office in London, Ontario, and was later transferred to that Company's Toronto office. During more recent years he was engaged as investment counsel in Baltimore, and also was associated with Midland Securities Limited, London, and Nesbitt, Thomson Company Limited, Toronto. While with the last two companies mentioned, his work was largely statistical, and during the past three years he has engaged in business for himself as investment dealer and counsel.

Mr. Harley's duties with The Canada Trust Company will commence on or about July 1st with headquarters at Head Office, London, Ontario.

Bata Entry Plea Raises Problem

(Continued from page 1)

ment was made possible only by the co-operation of foreign capital and foreign enterprise with the faith and energy of her native sons."

Canadians are familiar with the disturbing fact that our government machinery, our transportation system and our raw material supplies are adequate to sustain a country of very much greater stature. All are aware that in persons per square mile of territory Canada is second from the bottom among all countries of the world, nearly as sparsely populated as Iceland.

Before the Rowell Commission, Dr. E. S. Archibald, director of the Dominion Experimental Farms, testified that 80% of Canada's territory suitable for agricultural development is already under cultivation; that Saskatchewan, for instance, is now at the saturation point of economic agricultural development. If this view is correct, then it is argued more immigrants for agriculture are not what Canada needs. If Canada is to grow, it must be along industrial lines, informed observers are agreed.

Many Resources

Canada is uniquely adapted to major industrial expansion, they point out. She has vast reserves of base metals, lumber, dairy and agricultural products, low-cost electric power, enormous coal reserves in Alberta. She has vast areas yet to be explored for minerals and other substances which may assume importance in the expanding chemical and plastics field.

Membership in the British Empire gives Canada tariff and market advantages. Location gives easy access to the raw materials and markets of the Orient and Europe, South America and United States. She has fine ports, both on three seas and over a thousand miles inland on the Great Lakes.

Those who have carefully studied the problem are virtually unanimous that Canada must broaden the base of her national economy. So far, Canadian business has been largely dependent on a few staple exports which are subject to drastic fluctuation in both volume and price. Because of the amount of "foreign" capital invested in our enterprises, Canada has enormous fixed charges such as for interest to pay regularly abroad. Low wheat prices or a poor crop, for instance, put an enormous strain on our whole economy.

Diversification Wasted

Intensification and diversification of our industry, therefore, is deemed essential for national growth and economic stability. Two groups have been considered: first, industries in fields already served by Canadian firms; second, industries which are not practised in Canada or only in a most elementary way.

It is to this second and wide group which most attention is now devoted. Their coming is a clear gain for Canada. There is a minimum of ifs and buts about their admission. Experience in the particular trade, a good record of character and achievement and capital of not less than $15,000 is all that the Government asks, The Financial Post is informed.

The first group, industries which would compete with established Canadian firms, are more of a problem, less from the economic point of view than from the political. It is understood, for instance, that most of the opposition to the Bata entry came from members of Parliament who had shoe factories in their own ridings.

Some European industrialists who want to come to Canada are known to have been turned down flat. Industrial commissioners, and government officials, take the view that one failure is worse advertising for Canada than 20 successes.

One class of applicants that is raising a difficult problem are those with a fine record of achievement; who have the skill and ability to start an enterprise here but who are unable to get capital out of the homeland.

New Industries

There are the other industries not active in Canada. They are largely industries in which technical skill is more important than mass production. These tend to be unusually stable. In nearly every case, Canada is just as suitable a scene of operations as the present locale; reason why they have not been established here is limited world demand that could be handled satisfactorily from the original plant; or lack of the right kind of skilled labor in Canada. Such industries especially are pottery, glassware, chemicals, dyes, some forms of munitions, gloves, toys, fine leather work, costume jewellery and a score of others.

Timidity of capital for new investment, The Post is informed, has perhaps been the major reason for our lack of success in completely climbing out of the great depression. On this most economists are now agreed.

Offered New Capital

"For Canada, the important point is that Europe and Britain are now offering us capital, timid, perhaps, and not without good reason, but less timid than native capital," one observer declared. "Here is new capital expenditure, productive skill and industrial leadership being offered to us on a platter; precisely the thing business, labor and governments have been praying for, but which has so far failed to emerge in quantity from our own sources.

"Here we are offered fuel to speed the wheels of business, to give Canadian enterprise new vigor, and because newcomers all have an eye on the export market, a broader horizon."

This is not an immigration problem, it is emphasized. It has nothing to do with the dream of peopling Canada's open spaces or of relieving congestion in Europe.

Mr. Bata brings key men to Canada with him. Presumably most British and European industrialists will want a skilled nucleus of workers with them to organize, erect and put into smooth running order the new plant. Where industries completely foreign to Canada come in, larger groups of foreign workers will be admitted.

The Government is watching this angle closely. Every single applicant is investigated. Every case stands on its own merits.

Are Jobs Menaced?

Much nonsense, it is declared, has been talked about these immigrants taking jobs that Canadians could do; about the folly of admitting any more workers so long as Canada has an unemployment problem.

"Would everybody in Canada have a job if our population were only 6 millions instead of 11 millions?" one observer demanded. "Would we have had nobody on relief? Would we have gone through the past decade in unalloyed comfort and prosperity?

"There is no direct relation between immigration and unemployment. That is evident. The root cause of unemployment, of all its attendant miseries, is something very different.

Create New Jobs

"Those 100 Czech technicians are almost as important as Mr. Bata himself in creating jobs for Canadians. Even if there are Canadians who could do the work just as well, Mr. Bata wants his own men. He is spending his own money. He can build his own factory elsewhere. The fact that a few handfuls of Canadians may not have got jobs they think they could do is completely outweighed by the fact that several thousand other Canadians will get jobs.

"As for immigrant workers in general, all of them have to eat, wear clothes, buy furniture, have a house to live in, go to movies, and so on. Every producer is also a consumer."

Most economists are agreed that the story of Canada's growth shows that wisdom has always been on the side of free importation of and welcome for new industry. The economic history of this country is, to a degree larger perhaps than we like to admit, the history of imported industry and imported capital. Canadians are very familiar with the enormous development of American branch plants in Canada. In 1932 it was estimated that there were 1,177 U. S. controlled firms in Canada representing an investment of $2,167,249,000. Net profits of those firms for the period 1926 to 1933 were estimated at $500 millions.

More U. S. branch plants will come to Canada as new products, new industries arise. But it is generally admitted that the great rush of American industry to get a plant in Canada, share this market and enjoy British preferences, is probably over for the present; not because the attraction is less, but because the great majority of firms which could profit from a branch plant business in Canada have already established here. Hence, in the future Canada cannot depend so much for her industrial growth on branch plant building from across the international border.

There have been two decisive periods of growth in Canada's industrial and social history. First was the era of railway building. British, American, French, Dutch and other European capital poured into the railway company coffers, "to a far greater degree than is generally appreciated," one recent researcher states. Hungry for population, Canada welcomed European hordes.

Second great period of Canadian growth was from 1896 to 1912. The harvest of railway expansion started to come in. In 1890 the total value of products from Canadian plants employing five or more was $368 millions. By 1900 it had swelled to $481 millions; by 1910 to $1,165 millions. And it was in this period that foreign capital and industry came to this country in unprecedented volume.

The Nation's Business

(Continued from page 1)

peers. Gifted with an extraordinarily active brain and a thoroughly engaging personality he was able to back his judgment with qualities of courage and enthusiasm seldom found in business and public leaders. Few Canadians have been so ready and eager to support and encourage new enterprise as Mr. Richardson.

In any country, men of the type of Smith and Richardson would be very sorely missed. In Canada, their contribution was especially notable and their loss especially to be deplored.

* * *

Canada Packers Sets Important Precedent

IN SUGGESTING appointment of two new company directors, one to represent employees and the other to represent "organizations of producers," J. Stanley McLean, president of Canada Packers, Ltd. has made an astute and highly commendable move. Such a policy not only sets a precedent in Canadian industrial history but it marks the logical and practical extension of President McLean's deep-rooted philosophy that business must find some workable form of democratic control and operation in its day-to-day relationships.

When Mr. McLean discussed this philosophy publicly in an address at Washington recently, he was expressing convictions which have been gradually taking root from his own business experience and which have proved both sound and profitable. The excellent earning power and balance sheet position of Canada Packers Ltd. is tribute not only to Mr. McLean's personal leadership but to his ability to put his ideas into practical and profitable form.

* * *

APPOINTMENT of an employee representative on the board, to use Mr. McLean's own words is "a natural development of the company's profit sharing policy." Not only does it concede to employees a "logical right"; it should further promote the sense of partnership which is the ideal toward which Mr. McLean has constantly worked.

By opening the way for farmers to appoint a representative on the directorate, a direct oportunity is afforded such an appointee to study operations of the company from the producers' viewpoint, to have access to all the records of the company, and to keep informed in detail of its operations. From this, Mr. McLean hopes a broader plan of co-operation between producers and industry as a whole will emerge.

In announcing this very important step, Mr. McLean has stressed obvious benefits which should accrue to both employees and farmers. If wise choice of a representative is made by both these groups, the company itself should gain direct and material benefit from the counsel these new directors will bring to the board's deliberations.

* * *

Canada's Pavilion At the World's Fair

THIS week Hon. W. D. Euler, Minister of Trade and Commerce, is in New York attending Dominion Day festivities at the Canadian Pavilion in the World's Fair, New York. A few weeks ago the pavilion got much useful newspaper publicity during the visit of the King and Queen.

The Pavilion is a notable improvement over our efforts at Glasgow and Paris. Anyone who earnestly seeks some knowledge and enlightenment regarding Canada's tourist and industrial attractions will find much useful and palatable information—once he finds the pavilion. Unfortunately, Canada has not a front-row location.

* * *

MOST OF the leading governmental and commercial exhibitors at the Fair have tried in various ways to capture something of the theme of the "World of Tomorrow." The Canadian exhibit puts more emphasis upon the "World of Today." As such it has failed, unfortunately, to capture the interest of the modern-minded editors of Architectural Forum who in their current issue have given prominence to those national exhibits which "for reason of size, beauty or effectiveness have outstanding interest." Good pictures and pithy editorial comment are given by The Forum on 19 of the 60 national exhibits, (including Australia) many of which are no larger or more pretentious than the Canadian exhibit but all outstanding in their originality of design or treatment. The Canadian Pavilion is dignified and restrained but offers little that is spectacular or dramatic.

Having finally emerged from a "World of Yesterday" atmosphere in its national pavilions, Canada has still an opportunity to create exhibitions which catch the "World of Tomorrow" theme and are as arresting as they are informative.

* * *

Mayor Houde And His Bankers

IT IS difficult to treat seriously the threatened suit which Montreal is brandishing before three Canadian chartered banks.

In the course of ordinary business, letters of the type sent privately to Mayor Houde by the banks, are submitted day after day. They express merely a professional view of their client's position. Were banks, accounting firms or similar organizations to be subjected to legal suits every time they wrote adversely concerning a client's position, the result would be legal and commercial chaos.

Mayor Houde might better employ his time in cleaning his financial house rather than in bringing a red herring action against organizations which, if anything, have been too generous in their treatment of an important but improvident customer.

* * *

Should Use Existing Industrial Plants

SPEAKING to fellow manufacturers at the annual meeting of the Canadian Manufacturers' Association last week, W. D. Black, retiring president, discussed the question of manufacture of defense equipment in Government arsenals as against its manufacture in industrial plants. Canada has two arsenals now, he pointed out. Both of these could and should be used within practicable limits. But chief reliance should be upon highly specialized and efficient existing factories. Said Mr. Black:

"In Canada there are available engineers, experts, skill, experience, machinery and space entirely adequate for the task. In the interests of efficiency and economy, the private industrial system, which has proved itself in peace and war, should be utilized instead of attempting to duplicate it in new arsenals with unnecessary delay, waste and expense."

Most businessmen will commend this view. The tragedy of the present situation is that Canadian industry is scarcely being used in the great effort at national and Empire defense. Defense buying is choked in the existing set-up of the department of national defense. Mr. King cannot long avoid dealing drastically with such a tragically inefficient department. Officials such as the present Minister of Defense and his deputy, whose incompetence for office has been amply demonstrated, should be dismissed. Their places should be filled by men who will have the confidence of Canadians generally and who can work promptly and efficiently in a policy of co-operation as between the Government and private manufacturers.

Investors' Index

Algoma Steel	5	Gt. Lks. Paper	1
Bk. of Montreal	7	Goulds Pumps	5
B.C. Power Cor.	7	Int. Utilities	4
B. A. Oil	5	Inter. Hyd.-Elec.	5
Brazilian	5	Mont. Power	1
Cockshutt Plw.	1	Mac. Air Ser.	11
Can. Nor. Power	5	Mont. Aircraft	11
C.P.R.	5	N.B. Telephone	5
Canada Bud	4	Neon Products	4
Can. Wallpaper	7	Nat. Steel Car	10
Can. Car & F'dry	10	Noorduyn	11
Can. Airways	11	Ottawa Car	10
Can. Vickers	10	Ont. Tobacco	5
Cub Aircraft	11	Ogilvie Flour	5
Dosco	1	Pressed Metals	4
Dom. & Ang. In.	13	Rogers Majestic	4
de Havilland	11	St. Raymond Pa.	4
Domin. Stores	4	Stop & Shop	13
Donnacona Papr.	4	South Can. Pr.	7
Dom. Motors	13	Transport. Bldg.	13
Dom. Textile	5	Thrift Stores	13
East Kootenay	5	United Fuel	13
Fleet Aircraft	10	Union Gas	5
Fairchild Airc.	10	Wings	11
For. Power Secs.	4	Waterloo Manu.	4
Foundation Co. 5,	13	W'peg Electric	5

MINES AND OILS

Auraturus	14	Michaud Porc.	14
Amherst	14	New Gold'n Rose	14
Argus	14	Newroy	14
Anglo-Canadian	14	North Whitney	14
Beattie	14	Pacific Pete.	14
Cariboo Hudson	14	Red Hawk	14
Falconbridge	2	Sladen Malartic	15
Gomak	14	Stada. Rouyn	14
Hollinger	14	Sunray Pete.	14
Inspiration	14	Tonawanda	14
Kiena	14	Uchi	15
Lucky Kirk	14	Wenga	14
Lardego	14	West. Pete.	14

REGULAR FEATURES

Banking ... 16
Foreign Exchange ... 7
Bond Markets ... 5
Bond Quotations ... 12
Business, Week in ... 7
Commodities ... 13
Editorial ... 6
Insurance ... 16
Investment Trends ... 4
Company Reports ... 13
Investors' Enquiries ... 5
Market Opinions ... 6
Stock Quotations ... 12
Mining, Week in ... 14
Mining Enquiries ... 15
Stock Quotations ... 12
Municipal Finances ... 5
Oils, Week in ... 14
Stock Quotations ... 12
Pulp and Paper ... 4
Wheat, Week in ... 13
Grain Quotations ... 13

Western Bond Prices Advance Demand Better

Improved Sentiment Pushes Gains Up to 10 Points

EXPECT OTTAWA HELP

Favorable developments in the western provinces have been reflected in the rise of their bonds during the past few weeks. Steady improvement has carried prices up as much as 10 points.

Prior to the latest popularity in the bonds, they had floundered for years, more of less neglected by investors. Behind this indifference lay the story of crop failures, radical administration in Alberta and financial difficulties in which the western governments found themselves.

Report of the Royal Commission on Dominion-Provincial Relations is awaited with a great deal of interest because it is believed that aid will be recommended for the western provinces.

Tabulated below are present prices of western provincial bonds, compared with prices on April 4 and Jan. 3.

Bid Prices	June 26	April 4	Jan. 3
Manitoba:			
4 % due 1957	85.00	79.00	77.75
4½% due 1956	90.00	82.50	82.00
5 % due 1959	94.50	87.00	86.00
5½% due 1955	95.50	89.00	89.00
6 % due 1947	99.00	93.50	92.50
Saskatchewan:			
4 % due 1960	67.50	59.75	59.50
4½% due 1951	78.50	77.00	77.00
5 % due 1958	77.00	69.50	69.00
5½% due 1952	80.00	70.00	72.00
6 % due 1952	84.00	75.00	75.75
Alberta:			
4 % due 1954	60.50	52.50	52.50
4½% due 1951	64.00	60.00	61.50
5 % due 1959	66.00	57.00	58.75
5½% due 1952	67.00	61.00	62.25
6 % due 1947	70.00	64.00	65.25
British Columbia:			
4 % due 1957	98.50	93.25	91.50
4½% due 1951	103.00	98.50	97.50
5 % due 1954	105.50	101.00	99.50
5½% due 1945	105.25	101.50	100.00
6 % due 1947	106.00	102.50	101.75

Rise is General

The best credit position is enjoyed by British Columbia.

Rehabilitation of the credit of British Columbia results from improvement in the budget position of the province and marked betterment in business activity. As a result of increasing revenues the Government has been able to report large surpluses on ordinary account in recent years. It is now able to pay a large share of relief costs out of current revenue.

Manitoba and Saskatchewan

Manitoba's budget position has also improved. In each of the past two years the province has been able to pay part of its relief costs out of current revenue. Furthermore, there was a reduction in debt last year.

The position of Saskatchewan's finances remains difficult, but the outlook for the current year is better. This province is still dependent on loans from the Dominion Government in order to finance its share of relief costs.

It is hoped the finances of these two provinces will be improved as a result of an adjustment arising out of the report of the Royal Commission on Dominion-Provincial Relations.

Without doubt, prospects for an excellent crop this year are one reason for the improved sentiment in regard to bonds of the Prairie Provinces. As regards Alberta, many people feel that the long-term outlook is promising, especially in view of the Turner Valley oil development.

Ontario Gov't Surplus Higher Than Estimate

From Our Own Correspondent

Surplus of the Ontario Government for the year ended March 31, 1939, was slightly higher than the estimate made by Premier Mitchell Hepburn in his budget speech on March 30.

Actual results show a surplus of $322,495 for the year. This is $86,457 higher than was estimated by Premier Hepburn in the budget speech.

Details of gross and net debt are not available as yet, but will be given in the public accounts. In his budget speech, Premier Hepburn estimated the debt increase at $37.5 millions.

MODERN, EXPERIENCED BANKING SERVICE . . The Outcome of 121 Years' Successful Operation

OLDER than the Dominion itself, yet young as the latest sound business enterprise, this Bank offers a modern experienced service in every department of banking. No account is too small and none too large to receive the full benefit of our service. You are invited to discuss your banking requirements with us.

BANK OF MONTREAL

ESTABLISHED 1817

"YOUR BANK AND HOW YOU MAY USE IT"—Ask for booklet

CANADIAN WRIGHT LIMITED

Exclusive Agents in Canada For Wright Aeroplane Engines

ASSEMBLING OVERHAULS GENERAL SERVICE

HEAD OFFICE AND WORKS

6259 Notre Dame St. East, MONTREAL

Montreal Strikes Back At City's Banking Group

From Our Own Correspondent

MONTREAL. — Three chartered banks—the Bank of Montreal, the Royal Bank and the Banque Canadienne Nationale—are threatened by the City of Montreal with a suit for $2 millions of alleged damages to the city's credit.

The threatened action arises out of the recent refusal of the banks to advance the city further loans, which can only be repaid through the sale of bonds to the public.

Refusal of further loans is not the reason for the threatened suit, but rather a statement by the banks in their letter to the city. At one point the letter, which was addressed to the mayor, stated: "You and your colleagues are aware even better than we are, of the credit standing of the city and of the lack of confidence in the City of Montreal securities manifested by the investing public."

Mayor Houde and his associates claim this statement has damaged the city's credit. The mayor states this statement prevented him from arranging sale of an issue of bonds in the New York market. Under regulations of the Securities and Exchange Commission it would have been necessary to file the letter with the registration statement.

Mayor Published Letter

This is probably the first time that the chartered banks have been sued for damages for a statement included in a private letter to a client. The letter was not made public by the banks, but by Mayor Houde himself.

Instructions to the city's lawers to enter suit has been given by the Executive Committee of the City Council, but it is not certain that it will be proceeded with. Public reaction to the action of the Executive Committee has not been favorable. Furthermore, the City Council may overrule the Executive Committee. A section of the City Council is opposed to the suit. The Council was not consulted by the Executive Committee in regard to the threatened action.

Opinion of Attorneys

Decision of the Executive Committee followed legal opinion by Guillaume St. Pierre, K.C., the city's attorney. Mr. St. Pierre's memorandum stated, in part:

"You informed us that in your relations with American banking houses this letter proved an obstacle to obtain the money you needed to repay the banks, if not in full, at least in good part, seeing that the city, because of this letter, will be called upon to pay a higher rate of interest on issues it will have to place before the public to obtain the money it needs, and that this increase in interest is due to the letter and to the conduct of the banks that prevented you from obtaining the necessary money by the transaction.

"We are of the opinion that you have recourse in damages to the letter of June 5, 1939.

"As the amount of money the city will be called upon to borrow is considerable and that the increase in the interest rate is also considerable, we are of the opinion that a claim to the amount of $2 millions representing the damages suffered by the city, is not exaggerated."

Attack on Banks

In financial circles the threatened suit is regarded as an attack on the banks by Mayor Houde and his associates. It is generally felt the city will have some difficulty in making out a case, especially since the letter was not made public by the banks. Financial men also point out that the threatened suit will not have a favorable effect on the city's credit, but rather the opposite.

At present the city is getting along with the aid of the Quebec Government without additional loans from the banks. In order to assist the city the Provincial Government is advancing $125,000 a week to enable the city to pay relief and carry on normal services. But some other arrangement will have to be made in the near future or larger advances forthcoming, otherwise the city will find itself in an embarrassing situation.

At present, the city owes the banks the "unprecedented" total of $40 millions, and the banks are standing pat by their decision not to make further loans except where they can be repaid out of current revenue.

Recently it was reported that Premier Maurice Duplessis and Mayor Houde had arrived at a solution of the city's difficulties, but no announcement of their plan has been made.

The Shawinigan Water and Power Company

NOTICE OF REDEMPTION

To the Holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "B," 4½%, of THE SHAWINIGAN WATER AND POWER COMPANY.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from The Shawinigan Water and Power Company to Montreal Trust Company as Trustee dated October 31, 1927, and the Supplemental Trust Deed dated May 10, 1928, securing the above-mentioned Bonds, and to the terms of the said Bonds, The Shawinigan Water and Power Company will redeem all its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "B," 4½%, on the seventh day of July, 1939, at 102½% of the principal sum thereof and accrued interest on such Bonds to the said seventh day of July, 1939, upon presentation and surrender of such Bonds accompanied by the interest coupons appertaining thereto which mature on and after November 1, 1939, at the principal office of The Royal Bank of Canada in the City of Montreal, Canada, or at the holders' option at the principal office of Bank of the Manhattan Company in the Borough of Manhattan, the City of New York, United States of America, or at the holders' option at the Bank of Scotland in London, England,

AND NOTICE IS FURTHER HEREBY GIVEN that in case the Bonds hereby called for redemption are not presented for redemption on the said seventh day of July, 1939, all interest on the said Bonds will cease to accrue from and after the said seventh day of July, 1939.

DATED at Montreal this sixth day of June, 1939.

THE SHAWINIGAN WATER AND POWER COMPANY
H. G. Budden, Secretary.

Referring to the foregoing Notice of Redemption, holders of the said First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "B," 4½%, may surrender the same at the office of Montreal Trust Company in the City of Montreal, or at the Agency of The Royal Bank of Canada, 68 William Street, New York City, U. S. A., at any time prior to the seventh day of July, 1939, accompanied by the interest coupons appertaining thereto which mature on and after November 1, 1939, and upon such surrender shall receive a sum equal to the redemption price of 102½% together with interest on the principal amount of such Bonds accrued to the date of such surrender.

THE SHAWINIGAN WATER AND POWER COMPANY
H. G. Budden, Secretary.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Iberville, P.Q.	June	Credit Anglo-Francais, Harris, Mackeen, Goss & Co.	4%	1940-54	$35,000	100.62	....
Newcastle, N.B.	June	Nesbitt, Thomson & Co.	4%	30-yr. ser.	25,000	101⅛	....

Net Results Are Appraised Of Parliamentary Session

From Our Own Correspondent

OTTAWA.—Parliament Hill is now appraising results of the five months of debates and political clashes which have marked the fourth session of Canada's 18th Parliament.

If it counted on its 245 legislators to clear up major issues facing the country it is disappointed.

The session began with an unemployment problem and ended with an unemployment problem. It began with speculative estimates of a $50 millions railway deficit and ended with a $54 millions deficit. With the exception of an ignored Senate railway report, it ended no nearer a solution of the rail problem.

Subtle Change

But Canada's body politic is not quite what it was five months ago. It is that subtle change that is worrying those who look ahead for longer than an expected fall election. The legislative programme of the session just closed can be interpreted entirely in the light of a coming election.

It can be explained as simply a substitute for the old fashioned public works pork barrel from which each section of the country got its slice in return for votes.

There is a difference between departmental expenditures to get votes and legislation designed for the same purpose. Legislation becomes part of the statutes of Canada and sets a precedent for more similar legislation.

Germ of Socialism

The session produced three examples of legislative progress germinated by the principle of socialism which surrenders right of the individual and private contract to omnipotence of the state:

1. When the session opened the statutes of Canada recognized in the Farmers' Creditors Arrangement Act the need for a write-down of farm debts where the debtor was, in effect, bankrupt. Today they recognize the principle of state right over private contract and state-subsidized debt reductions.

2. When the session opened the statutes contained emergency legislation to assist a struggling farm industry back to its feet. Today the principle of state-subsidized agriculture on a guaranteed-cost-of-production basis has been written into the laws of Canada.

3. When the session opened the state recognized the need for granting assistance to those thrown out of employment. Today the C.N.R.-C.P.R. Act as amended recognizes the right of the state to interfere with the relations between the private employer and the employee to the extent of dictating what compensation shall be given when a worker is struck from the payroll.

Regardless of the justice of this last measure it is argued logically that what is done in the case of railways might be done with equal justice in the case of all public utilities and in fact all private industries.

Hybrid Measures

Measures such as those cited above are not state socialism nor totalitarianism. If they were, sectional cries from one coast of Canada to the other would be at an end. Totalitarianism destroys sectionalism as completely as it destroys individualism. This year's legislation seems to be rather a case of thoroughbred democracy taking a night out and producing a batch of hybrid pups which she may soon wish to disown.

Of the 20 major measures passed by the now dead and buried session there are eight which fall easily into this category of socialistically colored legislation.

Accepting the Bible that the last shall be first, Finance Minister Dunning's central mortgage bank has come into even greater prominence than the Gardiner agricultural programme which accounts for five of the eight measures.

Meighen Warning

In his final denunciation of the measure, Rt. Hon. Arthur Meighen described the act as a "sellout of the integrity of this country for a mess of ballots."

Even more significant was his challenge to the House of Commons:

"Go on fixing interest! All you do is to fix it at the expense of the country. Go on fixing this or that or the other thing. You are just every day taking kangaroo leaps into National Socialism and all it involves.

"We are not nearly so far away from National Socialism as we sometimes think we are. We are moving steadily and inexorably toward the goal, and I ask the people of Canada to listen if the Government will not."

The new Act has been given full publicity in previous issues of The Financial Post and other newspapers. Through battles in committees and both Houses of Parliament it has emerged virtually unamended in principle, though changes were made to meet objections put forward by mortgage companies. This principle can be described briefly as:

1. It provides government supervision and control over a large part of Canada's mortgage business.

2. It reduces principal and interest of present mortgage contracts irrespective of the ability of the debtor to pay, and partially at the expense of the taxpayer of Canada.

One criticism that has been aimed at the bill is the complete failure to recognize the existence of rich debtors and poor creditors.

Agricultural Acts

Passage of Hon. James G. Gardiner's agricultural acts was marked by a series of choppings and changings as the Government struggled, it is believed vainly, to produce something which would satisfy the West.

By an amendment to the Canadian Wheat Board Act the Government has now fixed the price of wheat in western and eastern Canada at a minimum of 70 cents a bushel for No. 1 Northern at Fort William or Vancouver. The only qualification for this permanent minimum price is that the board will not buy more than 5,000 bushels from any one farmer. The minimum price started at 60 cents, but a howl of protest from the west soon produced the other 10 cents.

In addition to this the western farmer is given crop insurance in the form of an acreage bonus plan to be effective in any emergency year, when the price of wheat is less than 80 cents and area yields are below 12 bushels to the acre.

Minimum wheat prices are not new to Canada though the principle of state subsidy has not been recognized except as an emergency measure. But this year the Government has extended the minimum price field to cover all farm products.

Cheese and Fish

For the cheese industry there is a dollar-for-dollar offer from the public purse for state-supervised improvements to plant.

Implementing of the Turgeon Grain Enquiry report gives the Board of Grain Commissioners complete control of the Winnipeg Grain Exchange, and power to fix minimum marginal requirements, limit trading and holdings of individuals, and revoke or suspend any by-law.

The fishing industry was not passed by without some sign of recognition. A Salt Fish Board is authorized to distribute state subsidies to the extent of $800,000 for fish exports. The subsidy is limited to 25% of the value of the export and through amendments made by the Senate a proportion of the state aid will be passed on to the fishermen themselves.

In a slightly different category is the state bonus to industry through income tax credits for capital expenditures. This, paradoxically enough, is designed to encourage initiative in private industry by a measure of relief from the tax burden imposed by socialistic measures.

It has been described as the most constructive legislation of the session. Its scope is limited to one year and it lays down no definite principle. For capital works launched and paid for before May 1, 1940, the corporation or individual gets a tax credit of 10%, the benefit to be reaped over a period of six following years.

Conflicting Factor

The conflicting factor in all this legislation is that, holding the germ of state socialism or totalitarianism, its chief aim at the moment seems to be oil the machinery of democracy to gather in votes. Again to quote Senator Meighen it is "legislation which holds out the bait to all and sundry. If the arms are spread out and everybody is going to get something it is almost impossible for a representative of the people to oppose it."

From the national standpoint the most important event of the session, or to be more exact the months which preceded the session, has been the Canada-United States trade agreement. Parliament's only function in this regard was to give formal ratification to something which was already an established fact. Trade experts are waiting for the results of the first six months of the trade treaty to make an appraisal.

Defense Purchasing

Another bit of legislation which had its source in presessional events was the Act to establish a Defense Purchasing Board for Canada. This implemented the recommendation of Commissioner H. H. Davis in his report on the Bren gun investigation.

Limitation of 5% of capital employed set on the profit of contractors selected without tender, is regarded as drastic in some quarters. But the two principles set forth in the legislation are generally accepted. These are elimination of profiteering on armaments and safeguarding against political patronage.

The Act represents, incidentally, the only action taken by the Government on the Bren gun report.

Other legislation which should be mentioned to fill out the picture of Parliament's achievements includes:

An Act for the establishment of a Penitentiaries Commission to be appointed for 10 years and to divide with the Government the control and supervision of penitentiaries.

An Act to establish the youth training movement on a three-year basis and provide an appropriation of $4.5 millions for its activities.

The Official Secrets Act, molded on the British espionage law, and giving wide powers to courts and R.C.M.P. officers where the safety of Canada may be involved.

Legislation removing the 3% import excise tax on all goods except those imported under Canada's general tariff and giving effect to budget tariff changes.

An Act providing for the regulation of small loan companies and limiting overall charges.

Always Ready to Serve

Enquiries Invited

Crown Trust Company

Executors — Trustees — Financial Agents

80 King Street West Toronto

MILLIONS for Kingston

New $4,500,000 plant of the Aluminum Company of Canada is already under construction

- Buildings and machinery are to cost $4,500,000.
- $1,000,000 will be paid in wages in construction period—from now until May, 1940.
- At full capacity 600 men will be employed.
- Annual payroll will run in the neighborhood of $1,000,000.

The coming of this large plant to Kingston is the greatest single change in this city's industrial position in its entire history. The ultimate effects on population, home construction, buying power and retail trade volume are apparent to all. Alert merchandisers and advertisers will profit by cultivating this expanding Kingston market through its local daily newspaper:

The Whig-Standard

Kingston, Ont.

London Calling — By Atticus

—LONDON

Once, at Monte Carlo, I ran across the dignified figure of a famous turf accountant. He was gazing at the roulette table but not playing. When I asked him why he did not try his luck he answered: "What! 32 runners and all trying? No thanks." It is well known, of course, that in Britain horses are always run to win, but at Ascot it might be said that they try even harder than at lesser fixtures. The cynic would, no doubt, attribute this to the size of the prizes or the passing notoriety that goes with an Ascot victory, but I reject both such insinuations. Horses, like actors, are temperamental creatures and give their best when the audience is large and distinguished. Thus a horse which merely walks through his part at Bogside will sometimes be inspired and take the lead at Ascot, emerging as the star of the piece. This unsuspected genius is hard on the backers, but brings happiness to the philosophers on the rails.

The absence of Their Majesties took some of the glory from this year's pageant but Ascot remains unique, a memory of other times when life was less harsh, a glorification of the four legged and two legged thoroughbred. How admirable it is in these days of creeping common sense that we can maintain a magnificent race track that operates only four days a year. Should Ascot ever end we would lose something as distinctively English as the white cliffs of Dover.

* * *

Gallant Enemies

In these days when international courtesies are so rare and Billingsgate has set the style for the Chancelleries of Europe, it was good to hear Admiral Mark Kerr recall that grand German sportsman, the captain of the Emden. There are few stories of the sea more daring or more chivalrous than the adventures of the famous German raider and the meticulous consideration shown by Von Muller for the lives and comfort of his prisoners.

ADMIRAL HORTHY

The admiral also told us of the chivalry of Admiral Horthy who one day surprised some British drifters which boasted a gun each. In the spirit of Sir Richard Grenville, the nearest drifter decided to attack the admiral's own cruiser. Horthy entering into the spirit of it trained one gun on the drifter and elevated the others so that they would shoot over the target. If I am a little befogged as to the rest of the story it is not important. The point of it is that Admiral Horthy spared ships that had no chance and added another chapter to the brotherhood of the sea.

The whole dinner was like that. At the end of it I had a feeling that those of us who spend our lives on land are low fellows mixing with low fellows.

* * *

The German Ambassador

The other day I had the pleasure of lunching with the German ambassador at the home of my parliamentary colleague Sir Thomas Moore. Having started the week with admirals it was in keeping that "Evans of the Broke" should have made the fourth male present. I must confess that His Excellency was not at all in that state of depression which one might expect to find a representative of the Third Reich. Obviously life in Britain agrees with him. When he came to London first as ambassador he looked rather soft physically, and had none of the military bearing which has endeared so many Germans to us in the past. Now he looks fit and vigorous—a condition which he attributes to our seaside and an occasional attempt at golf—while his whole bearing would not disgrace his predecessor.

Dr. Von Dirksen makes no attempt to hide from himself the drastic change in the attitude of this country toward the Nazis since the march into Prague. According to him, Munich has proved an equal disappointment to Mr. Chamberlain and Herr Hitler. The joy bells of Munich had seemed to preface a new four power era where each member state would have its own unrestricted zone of influence. What had gone wrong? Or if Prague was the only answer to that question how terrible that the relations of Britain and Germany should go on until implacable hatred set in!

It is easy to discount a diplomat's words. One may say that he is merely a player in an orchestra and blows the note which is scored for him. What of the man with the baton in Berlin? Does he call for a quiet passage from the flutes merely as a prelude to a sudden blare of the trumpets? Such suspicions may be justified, but on the other hand it would be difficult to believe that Doctor Von Dirksen is anything but a friend of this country and a firm believer in peace. Inevitably the discussion degenerated from high politics to a discussion of the difference in points of view between our two races. Sir Edward Evans took upon himself to illustrate an argument. "Now in Germany," he said, "you go in for physical fitness, 'Strength through Joy' and all that. First rate stuff, too, and you quite rightly make a lot of noise about it. Over here we don't make any fuss. But what is the result Any German admiral can do this . . ." Evans lay on the floor and raised himself on his hands half a dozen times. "But what German admiral can do this?" With one hand on his side and, turned half about, the forceful sailor did some remarkable evolutions.

"It is wonderful," said the ambassador thoughtfully.

The 58 year old admiral who looks 38 got up reluctantly from the floor. I said nothing. There are some moments too impressive for words.

Copyright, 1939, The Financial Post and The Sunday Times, London.

Canada and Singapore Linked by Telephone

From Our Own Correspondent

MONTREAL.—Singapore is now linked to Canada by telephone, according to announcement by Bell Telephone Co. The new circuit also provides service to most of the Malay Peninsula. This is the 79th country or territory to be linked to Canada by telephone.

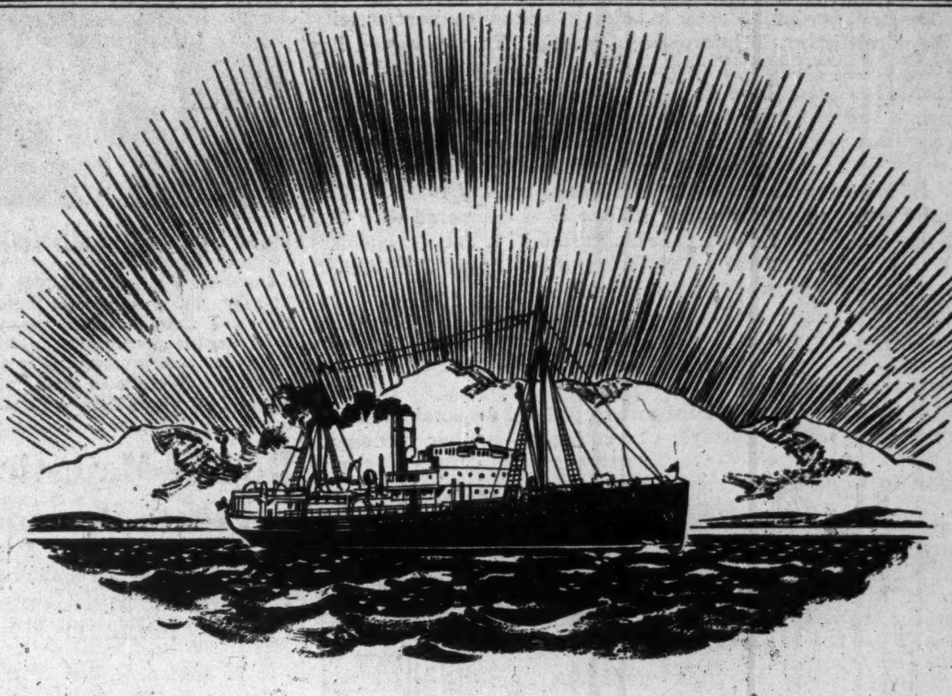
The new service is provided by means of two short wave radio-telephone circuits.

Mooney Appointed To Industrial Bureau

From Our Own Correspondent

MONTREAL.—George S. Mooney has been appointed a co-director of the Montreal Industrial Bureau. The other director is Valmore Gratton who has been in charge of the bureau since its creation.

Mr. Mooney is recognized as an expert in many phases of municipal planning and research.



Christmas Shopping in July . . .

People with friends in the Arctic must do their Christmas shopping very early indeed! For R.M.S. Nascopie, which carries the yearly mail to the Eastern Arctic, leaves Montreal in July. This year her voyage will be the 270th of "the Governor and Company of Adventurers of England trading into Hudson's Bay". She covers 10,000 miles carrying supplies to mission stations, trading posts and the Mounted Police. Her cargo includes, among other things, baby carriages, Christmas presents and tobacco products.

When her smoke has faded from the horizon, the long, lonely Arctic night closes down on the traders, trappers, mission workers and policemen of Labrador and Hudson's Bay. That night would be desolate indeed but for the products of the tobacco industry. Kingsley called tobacco, suggesting moments which come to everyone, "a lone man's companion, a bachelor's friend, a hungry man's food, a sad man's cordial, a wakeful man's sleep, and a chilly man's fire".

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

BELIEVE YOUR OWN EYES!

$870

DELIVERED AT FACTORY OSHAWA FOR THE

Pontiac "Arrow" Business Coupe

(Freight and License Only Extra)

Pontiac is PRICED RIGHT DOWN with the Lowest . .

Pontiac swept into the LOWEST-PRICE FIELD . . . like a flash! The price tag tells the story! Read it—and see why Pontiac sales are zooming to record heights. Own a *top flight car* . . . enjoy the distinction of a Pontiac . . . at a cost to match the lowest!

"I wish I'd bought a Pontiac"—is a phrase one hears a great deal, these days. So before *you* buy *any* car try out the Pontiac "Chieftain" . . . or the Pontiac "Arrow". "Chieftain" models offer such top-notch features as Re-Designed and Improved Knee-Action Front Wheels . . . New Rear Coil Springing . . . Centre-Control Cross Steering . . . Handi-Gear Shift on Steering Column . . . Anolite Pistons . . . Automatic Choke. And Pontiac offers you the sparkling beauty . . . the bigness and amazing riding qualities . . . feathery handling ease . . . luxurious comfort . . . "penny-pinching" *thrift* . . . and an array of fine car features you get in no other *low-priced* automobile. Convenient terms may be arranged on the General Motors Instalment Plan.

TWO SERIES **Pontiac** "ARROW" "CHIEFTAIN"

YOUR PONTIAC DEALER'S DESIRE IS TO SERVE YOU PERMANENTLY and WELL

Investment Trends

Stocks Continue to Drift Through Dull Sessions

Business Indicators in Canada, U. S. and Great Britain Show Gains But Lack of Confidence Keeps Investors on Sidelines

Stock markets continue in the doldrums. Investors cannot be lured from their position on the sidelines. Lack of confidence continues to battle against steady, although slow, improvement in actual business figures. The most persistent factor in holding back investment activity is still the unsettlement in international politics. This, however, has not yet laid a foundation that seems to hold such a threat as did the events that led to last fall's crisis.

Meantime business indicators in this country, the U. S. and Great Britain continue to gain. The Financial Post Business Index for May is 116.1 as compared with 113.3 for April and 110.4 for May a year ago. In the U. S., Business Week's index of business activity reached 100.0 in preliminary figures for the week of June 17 as compared with 93.3 a month ago and 74.3 a year ago. Taking these U. S. figures, business is 34% above a year ago while the stock market is only 11% higher, according to the Standard Statistics index.

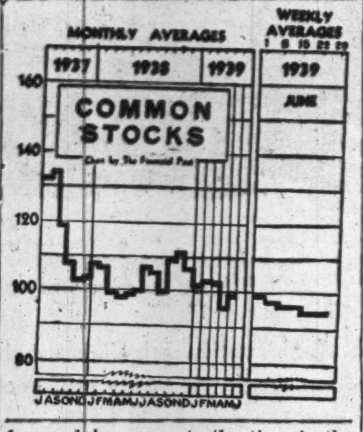
Most recent employment figures for Canada show gains of about 66,000; prospects for good crops continue excellent. Industry shows variable conditions. Machinery sales are good but flour milling and textiles are less active.

Altogether, there seems little threat to general economic activity, barring that most potent destroyer of confidence—another war scare.

* * *

Recession in London

For a time this year it looked as if the London stock market was going to give the lead to those on this continent and move into a definite uptrend. But faith in this has been weakened by moves of the past few weeks, in the face of steady improvement in business indices in Britain. Output of steel ingots and castings for May set a new high record and volume of insured employment has risen to record levels. But London stock exchange industrial average compiled by the Financial Times declined to 97.9 on June 27 from 105.3 at March 8. It is true that the recent decline has held well above the 1939 low of 91.4 but it is still enough to cause some misgivings.



Comment from British financial papers stresses the influence of the latest fuss with Japan. This now seems on the way toward a peaceful solution and should give a better chance for the better business figures to exert a greater influence.

* * *

N. Y. Exchange Cuts Costs

The New York Stock Exchange's latest report to the public, recently issued by President Martin, hints at drastic measures to bring about a balanced budget for the exchange. He suggests that revisions of the exchange's basis of revenue as well as curtailment of non-essential services may be necessary.

This is the natural result of long-continued inactive markets. It has been well known that member firms, not only at New York but also in Canadian exchanges, have found the going tough the past year or two. A glance at the comparative figures for share transactions gives the explanation.

* * *

London Stresses Information

The committee for general purposes of the London exchange has issued a report that convinces The Economist that exchange leaders are "determined to allow no deficiencies in reliable information which would provide a cause of misinterpretation of the function and activities of the Stock Exchange."

Better protection of public interest is said to be the aim. Actual reforms instituted in the past year include tightening up of conditions for granting permission to deal, pressure to secure adequate voting rights for preference shareholders, consolidated accounts from holding companies and standardization of dividend announcements. Members are now permitted to transact business as private unlimited liability companies.

* * *

Toronto Adds Listings

Swings from stock market activity to inactivity are more frequent today than in former years, according to the address made by Frank G. Lawson, retiring president of the Toronto Stock Exchange at the recent annual meeting. He suggested that exchange officials would have to make even more strenuous and well-directed efforts to maintain the business of member firms. He looks forward, however, to the time in the near future when the exchange's facilities will be utilized to the full by the improvement of which evidence is already seen.

Including new listings, substitutional or additional listings and elevations from the curb to the regular list, the following figures illustrate progress made by the Toronto exchange in the past five years:

New Listings
Years Ended May 31

	1939	1938	1937	1936	1935
Industrial	28	44	43	19	33
Mining	24	22	47	19	50
Western oils ..	3	21	8	4	4
	55	87	98	42	87

Mr. Lawson suggests that this pace cannot be maintained because of lack of new capital issues in the past year or two although pointing out that mining and oil securities may provide more promising fields at the moment.

Investment Notes

Algoma Central & Hudson Bay—Although it is now two months since the Ontario Government served a writ for $1.4 million corporation tax, interest and penalties on the company, no further steps have yet been taken. The company has not received a statement of claim and has not been required to submit a reply.

Algoma Central has been able to keep its four lake freighters busy this year in spite of failure to obtain a renewal of its contract to haul coal and ore for Algoma Steel Corp.

* * *

Waterloo Manufacturing — The class A stock was removed from trading on the Toronto Stock Exchange at the request of the company on June 24. This stock is being exchanged for new common shares on the basis of one new common for each three old class A shares held.

* * *

International Utilities — Company has asked the Securities & Exchange Commission at Washington to approve payment of regular quarterly dividends of 87½ cents a share to holders of the $3.50 a share preferred on Aug. 1, 1939, to shareholders of record July 20. Payment would require $86,599 for the 96,970 shares outstanding. Approval has been asked of a dividend of $1.4375 a share on the $1.75 preferred on account of arrears which amounted to $9.3125 a share at May 31, 1939. Exclusive of 5,115.4 shares held in the treasury there are 66,652.56 shares outstanding so that the proposed payment would require $95,813.

GOLD MINING
in Canada
1939

Comprehensive Review of an Important Canadian Industry

Copies on Request

Our new booklet "Gold Mining in Canada, 1939" contains interesting, informative facts not only for investors but all those who follow the rapid progress of this great industry in Canada. The booklet covers world trends, past and present mining developments in the Dominion and future prospects for Canada's gold industry, and also includes carefully prepared statistical tables on the following:

- Gold Production by Districts
- Production of "Junior" Mines
- Production of "Senior" Mines
- World Gold Output by Principal Countries
- Eleven year table of dividends paid by Canadian gold mines
- Analysis of recovery, costs, profits per ton, earnings per share and dividends of 56 producing gold mines in Canada.

Booklet also contains map showing location of principal gold mining properties in Canada.

Copies gladly furnished on request

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada
120a

ROTARY GOVERNOR

Cecil T. Medlar, manager of the Stanley St. branch of the Royal Bank of Canada at Montreal, has been elected governor of District 170 of Rotary International. The district embraces 29 clubs in Ontario, Quebec and northern New York state.

Rogers-Majestic Elects President

J. E. Rogers Becomes President and General Manager

J. E. Rogers, brother of the late president of Rogers-Majestic Corp., has been elected president and general manager of the company. He was previously vice-president and treasurer. D. G. Mackenzie has resigned his position as vice-president and general manager although continuing as a director. B. A. Trestrail, head of the company's sales and advertising activities, has been elected a director to fill the vacancy on the board.

Annual report for the year ended March 31, 1939, is expected to be mailed to shareholders within a few days. Although no official word is available, it is thought that profits will not come up to last year's level when 65 cents a share was earned on the combined A and B shares.

May Adjust Votes

It is also rumored that the company plans to make some adjustment in its shares in the near future. Officials of the company are unwilling to comment on this.

At present, there are 200,000 class A shares and 15,000 class B shares outstanding. The class A shares, which are most widely held by the public, are non-voting. This leaves control of the company's policies to the holders of the 15,000 class B shares. This was one of the points that came in for considerable criticism at the last annual meeting and, if any change is to be made, it is possible that class A shares might be given a vote with some adjustment of the voting rights of the class B.

Pressed Metals Sales Higher

Offering of New Stock Deferred Because of Unfavorable Market

Pressed Metals of America reports that gross sales for the three months ended March 31, 1939, were just under $1.1 million. This compares with sales of slightly over $1 million for the first quarter of 1937, the biggest recent year in automobile production, and $362,010 for the first quarter of 1938.

J. W. Leighton, president, reports that the gain in sales for the first quarter of 1939 over that for the 1937 period, in spite of larger car production in that year, was because of addition of Chevrolet, Plymouth and Dodge as new customers for independent suspension parts.

He adds that sales prospects for the whole of 1939 appear good as the company will have the advantage of the increased business from Chevrolet, Plymouth and Dodge and Hudson and Nash plan to adopt independent suspension parts for their 1940 models.

Stock Sale Delayed

It has been found necessary to delay the sale of stock to shareholders as outlined last December because of conditions in the security markets. The registration of statement has not yet become effective with the S. E. C. and the underwriting agreement has been extended.

Additional information given to the S. E. C. in connection with the July, 1936, offering of common stock to shareholders shows that the company has two agreements with J. W. Leighton, president, with regard to use of certain patents. The first covers "Spring Shackles" and calls for royalty payment of not less than $5,000 and not more than $20,000 per year, based on 5% of the invoice sale price of goods sold. The second covers "Silent U Pivot Bolts," and any subsequent patents and applications made by Mr. Leighton are connected with the company. This agreement is based on a royalty payment of 5% of the net invoice price of the goods sold.

Under these agreements, the following royalties were paid to Mr. Leighton: 1933, $18,393, 1934, $44,643; 1935, $50,316; 1936 to March 31, $22,116. The $50,316 payment made to Mr. Leighton in 1935 was in addition to his salary of $10,000.

Profit and Loss Account
Three Months Ended March 31, 1939

	$
Gross sales	1,083,593
Add: Scrap sales	10,801
Interest and other income	1,057
Gross income	1,095,451
Less: Cost of materials	411,700
Direct labor	208,782
Factory expenses	262,388
General expenses	48,897
Operating profit	163,684
Less: Depreciation	22,842
Net profit*	140,842

*No allowance has been made for income taxes.

Working Capital
As at March 31, 1939

	$
Current assets	819,020
Current liabilities	258,869
Working capital	560,151

Ont. Accountants Choose Officers

Selection of leading figures in the field of accountancy and auditing in Canada to head the provincial organizations of chartered accountants in Ontario and Quebec, featured recent annual meetings of these bodies.

At its annual meeting in Toronto last week, the Ontario Institute of Chartered Accountants elected James W. Taylor, F. C. A., of Price, Waterhouse & Co., Toronto office, as president; and W. G. H. Jephcott, F.C.A., of P. S. Ross & Sons, as first vice-president. Other officers elected were Col. A. E. Nash, F.C.A., of Clarkson, Gordon, Dilworth & Nash, secretary - treasurer; and J. F. Gibson, F.C.A., chief corporation assessor of the Dominion income tax department at Toronto, second vice-president. Mr. Taylor is successor in the presidency to Gordon D. Campbell, of Campbell, Lawless, Tucker & Black.

J. W. TAYLOR

W. G. H. JEPHCOTT

Dominion Stores Sales Show Increase of 8.2%

Sales of Dominion Stores Ltd. for the four weeks period ended June 17 increased 8.22% over the corresponding period in the previous year, although 433 stores were operated during the period, contrasted with 471 in the previous year. There were nine more meat departments in operation in the 1939 period than in the previous year.

The increase in sales in the year to June 17 was 7.50% over the same period in 1938.

Monthly Sales
(Subject to final adjustment)

	1939 $	1938 $	Incr. $	Incr. %
Jan. 28	1,366,469	1,404,480	*38,011	*2.71
Feb. 25	1,531,878	1,459,841	72,037	4.93
Mar. 25	1,680,272	1,472,091	208,181	14.14
Apr. 22	1,640,528	1,495,190	145,338	9.72
May 20	1,637,720	1,486,876	150,844	10.14
June 17	1,586,974	1,466,405	120,569	8.22
	9,443,841	8,784,883	658,958	7.50

*Decrease.

Note:—In the period ended Jan. 28, 1939, 14 fewer stores were operated than in the 1938 period: Feb. 25, 16 fewer; Mar. 25, 34 fewer; Apr. 22, 43 fewer; May 20, 40 fewer; June 17, 38 fewer.

Neon Products Shares Offered

Pemberton & Son Distributing Shares Formerly Held in East

From Our Own Correspondent

VANCOUVER. — A substantial block of shares has been transferred to Neon Products of Western Canada Ltd., from eastern Canada, resulting in the western-controlled corporation being practically 100% owned in the West.

Neon Products of Western Canada has made a good earnings performance since incorporation in 1929 and has paid dividends since 1930. Since 1935 dividends of 50 cents per annum have been paid. Authorized capital is 60,000 common shares of which 54,836 are outstanding.

Control has been retained in the West by means of a holding company—Neon Products Investment Corp., which holds 28,607 shares.

The 12,336 shares of Neon Products of Western Canada held in one block in eastern Canada were recently bought by Pemberton & Son Vancouver Ltd., and the entire block has since been distributed to individual investors at $7.50 a share, affording a yield of about 6% at present price.

Although official confirmation could not be obtained it seems likely that the block of shares being sold in Vancouver are from the holdings of Claude Neon General Advertising. This company is known to have held an important minority interest in Neon Products of Western Canada. A subsidiary of Claude Neon, E. L. Ruddy Co., sold its interest in Ruddy-Duker Co. to Neon Products in 1936 for $160,000.

Foreign Power Securities Adjourns Bond Meeting

From Our Own Correspondent

MONTREAL. — The meeting of bondholders of Foreign Power Securities Ltd. held on June 21 was adjourned to July 24 for lack of a quorum. This is the second time that the bondholders' meeting has been adjourned for this reason. At the next meeting the bondholders present will constitute a quorum.

Purpose of the meeting is to consider proposals altering the powers of the trustee in handling the funds and securities deposited as security for the issue.

Canada Bud Profits Ahead of Last Year

Canada Bud Breweries Ltd. directors have declared a dividend of 20 cents a share payable July 15 to shareholders of record July 5. Profits are reported running ahead of last year.

Canada Bud has changed the end of its year from December 31 to October 31. The last report covered the 10 months ended October 31, 1938, and showed net profit equivalent to 43 cents a share on the common stock. Last previous dividend payment of 20 cents a share was made December 12 of last year with a similar payment last July.

New Issue

Province of Quebec Guaranteed
Verdun Protestant Hospital
3½% Bonds, due May 1st, 1954
(Non-Callable)

Payment of principal and interest of this issue is unconditionally guaranteed by the Government of the Province of Quebec, each Bond bearing endorsement to this effect. The Bonds are direct obligations of Verdun Protestant Hospital.

Price: 98.85 and interest, yielding 3.60%

Descriptive circular forwarded upon request.

Wood, Gundy & Company Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Market Opinions

Inactive markets of the past week have not given many clues to decide which direction the next important move is likely to take.

* * *

The Annalist, New York—"The market's failure to continue last week's decline was of course an encouraging technical development. Volume of trading, however, has been rather light on the recovery, and there is as yet nothing to indicate that the market has sufficient strength to carry it up substantially above previous high levels. The real test of the situation will come later if a number of leading stocks make a serious effort to advance beyond their June 9 high points.

* * *

Barron's, New York (The Trader)—"No signs of the termination of the bear market for cash are apparent. The chances of the broadening of the financing market grow better, rather than worse, and ultimately a broad financing market is usually the precursor—under conditions like the present—to increased speculative interest in equities."

* * *

The Economist London (June 1)—"Investors are awaiting events, and in absence of buying support a comparatively moderate volume of sales proves enough to depress prices."

* * *

Financial World, New York—"The investor who largely confines his holdings to dividend paying stocks backed by good current and prospective earnings, and affording reasonable yields, not only is on more conservative ground but is also in a better position to realize at least moderate capital appreciation than if his funds were tied up in the more speculative and non-dividend issues."

On Commodity Exchange

From Our Own Correspondent

MONTREAL. — N. H. Eden of Eden & Bond Ltd. has been elected a member of the Canadian Commodity Exchange Inc.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.3	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
Weekly Figures:												
June 1 ..	114.6	12.4	79.7	167.3	56.0	178.8	123.6	129.3	61.6	84.1	44.0	99.6
June 8 ..	113.2	12.7	78.4	159.6	56.7	179.7	125.6	131.7	62.0	84.9	44.6	99.0
June 15 ..	114.9	13.[illegible]	78.9	153.2	55.6	179.1	126.2	130.7	61.7	85.0	44.0	97.5
June 22 ..	115.5	12.1	77.5	150.7	54.5	179.4	125.2	128.4	60.8	85.0	43.6	96.4

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
June 27	111.82	120.12	85.87	28.71
June 26	111.81	120.17	85.99	28.83
June 24	113.01	121.46	87.16	29.11
June 23	113.13	121.80	87.25	29.19
June 22	112.77	121.79	87.29	29.47
June 21	113.31	122.53	87.20	28.92
Month ago ..	113.26	121.00	86.90	29.80
Year ago ...	116.39	117.99	85.06	34.22
High, 1939 ..	125.92	128.95	101.27	45.00
Low, 1939 ...	102.52	109.85	80.75	28.05

Montreal Stock Exchange Averages

	10 Utl.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
June 27 ..	66.0	70.4	68.9	67.50	110.21
June 26 .	65.6	70.6	68.9	66.89	109.97
June 24 ..	66.4	71.6	69.8	67.80	109.86
June 23 ..	66.4	71.6	69.8	67.80	110.44
June 22 .	66.0	71.6	69.7	68.45	110.38
June 21 ..	65.8	72.0	69.9	68.36	110.87
Mth. ago .	66.4	72.8	70.7	74.56	112.86
Year ago ..	64.8	77.7	73.4	114.23	119.43
High, 1939 .	70.1	85.0	79.1	119.77	126.48
Low, 1939 .	60.4	66.5	65.4	64.18	103.86

Pulp and Paper Industry

U. S. Publisher Calls for Action

Low Paper Price Subsidized Printers During Depression

From Our Own Correspondent

MONTREAL.—Lack of leadership in United States publishing field is a bigger factor in the troubles of the publishers than the price of newsprint, according to Mark Ethridge, general manager of the Louisville Courier-Journal and Times, speaking before the University of Missouri.

Declaring that he was not concerned with the freedom of the press, but over the type of press leadership, Mr. Ethridge briefly outlined the decline of the industry in recent years. From 1880 to 1910 the number of daily and Sunday papers in the United States went to 3,120. The decline in numbers started in 1914, so that in 1938 there were 2,056 daily newspapers in the United States and its possessions. Of those that have survived, 360, representing a majority of the remaining circulation, are owned by newspaper chains. There are no figures to show how many are owned in combination by single ownership. Within the past 15 months, 43 daily newspapers have suspended publication, of which six have become weeklies.

Not Newsprint Price

"It is easy to say," Mr. Ethridge went on to remark, "that the advancing price of newsprint has taken the toll, but the truth is that the price of newsprint is from $13 to $15 a ton below the 25-year average. Although there were more publishers and consequently more newspaper competition in war times, they were able to adjust themselves to higher prices than we are paying now. It is true that taxes and wages are higher, but all business is bearing them without the mortality rate common to newspapers.

"A great part of the answer lies in the fact that other media have taken advertising revenues away from us, just as the trunk line took the short haul freight.

"There is grave reason for worry in the fact that since 1929 newspapers have lost one third of their advertising linage; and the fact that had newspapers in 1937 obtained the same percentage of the advertising dollar that they did in 1929, their income would have been approximately $87 millions more than it was.

"Subsidized" Publishers

"To say that the suspensions have resulted from rising costs would be true, but it would not be the whole truth. It would be fair to say that low newsprint costs have subsidized during depression times a great many newspapers that were not willing or able to make management adjustments to meet competition when the inevitable rise in prices set in. It would be fair to say, too, that while radio has been growing in popular esteem, the newspapers have not fought back, either to hold advertising, or to adjust themselves to the competition presented by radio or the graphic magazines."

Mr. Ethridge pointed out that the urgent necessity is for the publishing industry to undertake to get a clear view of what has happened and a clear perspective of what is probable in the future. "It will do us no good," he said, "to lash out blindly; what we have got to do is to find out what ground we have surrendered forever to our competition and what we can regain.

"We have lost ground because we have doggedly held on to old methods. There have been advances, it is true, but on the whole the newspaper business has been fighting a rearguard action for 10 years — a losing action at that. But I see no reason to despair if we can employ our intelligence to the remedy as strongly as we have our lungs to shouting about freedom of the press." press."

Construction Body Urges Plant Jobs

Appeals For Use of Income Tax Credit Plan

Initiating a campaign to stimulate construction activity by publicizing the various Dominion measures designed to encourage building, the Canadian Construction Association has circularized industrialists in the Dominion urging plant improvements and extensions to take advantage of the new income tax credit allowance for such capital outlay.

Concluding with the warning that "industry must act, or be swallowed up by government," the appeal says in part:

"We ask that you give earnest consideration to the advantages offered by this legislation in the direction of modernization and extension of your buildings. At the same time, we would point out the advisability of immediate action, in view of the time limit imposed." (Expenditures must be made by April 30, 1940, to qualify for credits.)

"Once under way, the construction industry of Canada will stimulate many other industries, directly and indirectly. It can furnish the 'punch' needed to increase the purchasing power of the Canadian consumer, as a large share of the cost of construction goes into the pockets of labor.

"The Canadian Construction Association will be glad to be of service to you in securing information or placing you in touch with those in your locality who can carry out your wishes."

Attached to the circular is a printed leaflet giving the text of the income tax amendment extending the credit for plant improvements, and suggesting a plan of procedure to get projects under way as quickly and efficiently as possible.

Bowater Commences Pulpwood Operations

From Our Own Correspondent

MONTREAL. — Pulpwood operations of Bowater's Newfoundland Pulp and Paper Mills on the West Coast of Newfoundland are now in full swing. Eight camps are in operation and another ready to commence. The company expects to operate about 20 camps on the West Coast this season.

Newfoundland Relief Shows Increase in May

From Our Own Correspondent

Newfoundland relief figures for May show an increase in both the amount spent on relief and the number in receipt of relief.

Direct relief expenditures in May amounted to $153,140, an increase of $44,741 over the same month last year. Of this amount, $122,223 was for relief of able-bodied persons and $30,917 for casual sick, aged and infirm persons.

Donnacona Paper Co. Maintains Earnings

From Our Own Correspondent

MONTREAL.—Earnings of Donnacona Paper Co. in the current year to date have been at about the same level as in the corresponding period of 1938.

An adverse factor has been the decline in sales of insulating board. Exports of this product are below what they were last year. In the annual report for 1938, R. P. Kernan stated, new mills being brought into operation in Scandinavia and other parts of the world might make the task of shipping to far-off markets more difficult in future.

Newsprint sales for the year are understood to have increased, offsetting the decline in insulating board.

St. Raymond Paper Changes Capital Stock

From Our Own Correspondent

MONTREAL.—St. Raymond Paper Ltd. has taken out supplementary letters patent covering a change in its capitalization. Previously the company had outstanding $250,000 capital stock divided into 2,500 shares of a par value of $100 each. Under the approved reorganization, 2,000 of the 2,500 shares will be converted into $200,000 of 7% cumulative redeemable participating preferred shares. The remaining 500 shares will continue as common stock with a par value of $100 each.

Abitibi Fails To Hold Gains

Larger Shipments More Than Offset by Adverse Factors

Abitibi Power & Paper Co. is feeling the effect of a lower price for bleached sulphite pulp and higher costs of pulpwood this year. The result has been that earnings for the past two months have been lower than in the corresponding months of last year in spite of gains in shipments of both newsprint and bleached sulphite pulp. Cumulative total for five months, however, is still 6.56% above 1937 levels.

This time last year the price of bleached sulphite pulp was $60 a ton and earlier it had been $70 a ton. Now it is only $50. This $10 a ton reduction means substantially lower profits from this section of the business.

In the fall of 1937 when it looked as though newsprint companies were going to experience rising business for the coming months, there was considerable competition to obtain adequate pulpwood supplies. The result was that prices for wood rose. Then when the expectations of better business failed to materialize, the wood cut last year was reduced by all companies.

Prospects for Abitibi for June are even less promising than for the months just closed. Estimated newsprint shipments for June are 23,000 tons, a reduction from the 27,493 tons shipped in June of last year. For bleached sulphite pulp, estimated June shipments this year are about 2,800 tons, a gain from the actual shipments of 2,142 tons of June, 1938, but apparently not sufficient to offset the lower price. It is also hinted that prospects for maintaining present prices for bleached sulphite are none too good.

Monthly Earnings

	1939 $	1938 $	Incr. %
January	162,297	114,219	42.09
February	125,556	77,469	62.07
March	150,400	140,258	7.23
April	175,446	181,932	*3.57
May	237,830	285,264	*16.63
	851,529	799,142	6.56

Newsprint Shipments

	Tons 1939	Tons 1938
January	21,688	18,058
February	20,542	16,004
March	22,333	18,239
April	24,293	22,001
May	27,201	25,412
	116,057	99,714

Bleached Sulphite Shipments

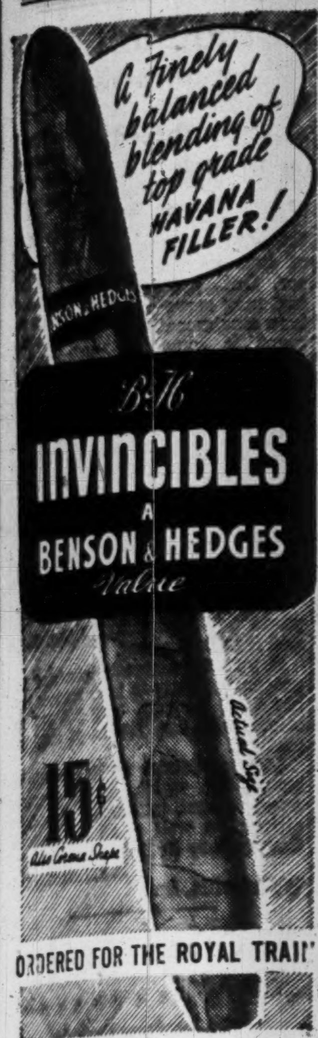
	1939 Tons	1938 Tons
January	3,422	2,150
February	2,846	1,937
March	3,461	2,183
April	3,261	2,841
May	3,435	3,000
	16,425	12,111

JAMES W. SEWALL
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
Manufacturers of
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
Executive Office: Dominion Square Bldg., Montreal, P.Q.
General Office: Edmundston, New Brunswick

ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED
Manufacturers of
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
Privately-owned Wharf on Tidewater

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

St. Andrew's College
FOUNDED 1899
An exceptional boarding school for boys
AURORA, ONT.
Healthful Altitude—857 feet
K. G. B. KETCHUM, B.A., HEADMASTER

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

BULOLO
GOLD DREDGING LIMITED
Our survey of one of world's outstanding placer operations has been revised to include new data. Copy on request.
Ask for survey P15
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC SHERBROOKE
124

CITIES RISE

on Savings
Savings of thrifty people like you and your neighbor built the city in which you live ... its homes, its factories, its great buildings. Since 1855, the Canada Permanent has been helping people to save, and has been providing the funds which make construction possible. Firm faith in Canada, coupled with sound judgment, still governs the policy of the Canada Permanent. It is ready to serve YOU.
CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
ASSETS EXCEED $69,000,000

Bond Markets

High-Grade Obligations Resume Price Climbing

Slight Decline of Previous Week Wiped Out in Inactive Trading—Little Change of Sentiment of Investors in Evidence

In quiet trading high-grade bonds resumed their upward price movement during the week. The rise was accompanied by no great display of enthusiasm, but appeared due entirely to the underlying strength of the market.

Short and medium-term Dominion maturities were unchanged to fractionally higher, while longer terms showed greatest gains.

Western provincials were again able to show the strength that has characterized their market manner in the past few weeks. This steady improvement has been one of the features of the past few weeks. Betterment follows largely in the wake of higher prices for Dominion obligations, and the better outlook for grain crops and business in the West. Factors which are sending western provincials higher, after a lengthy period of investors' neglect, are reviewed elsewhere in this issue.

* * *

Municipal Issues Scarce

Municipal debenture sales were limited to two small issues during the week, and little financing of this class appears imminent.

Flotations in the year to date still exceed those of the previous two years. Latest figures compiled by A. E. Ames & Co. show that 1939 flotations so far total $764.4 millions, as compared with $627.1 millions in the corresponding period of 1938, and $719.4 millions in 1937.

Bonds of utility corporations showed strength, but there was little trading. In the industrial field prices were mixed, with little interest.

There appeared little change in sentiment during the week. International developments did little to inspire confidence of bond buyers, but in the U. S., definite indications were forthcoming during the week that the Government is not going to stop pump priming activities.

* * *

Corporation Trends

Industrial bond prices over the past year provide little indication of major price trend during the year.

In one class of liens only is there any evidence of a uniform movement. That is in high grade utility issues, which have been governed quite largely by the keen demand for government obligations, rather than on consideration of the companies' own operating positions.

The industrial bonds have been to a large degree free from this influence and the wide variety of price movements demonstrates that the bonds have moved more in line with the companies' showing over the year.

The quotations below show price movements over the period of a year:

Corporation Bonds
Bid Prices

	June 20 1939	June 21 1938
Public Utilities:		
Beauharnois 5/73	99	91½
B. C. Power 4½/60	100½	100
Dom. Gas 6½/45	96½	80½
Gt. Lakes Pwr. 4½/56	100½	94½
Int. Hydro-El. 6/44	86	70
Mtl. L. H. & P. 3½/56	103½	101
Nat. Lt. & Pr. 6/49	98	90½
Power Corp. 4½/59	104½	101
Union Gas 4½/50	103½	100
Industrial:		
Abitibi 5/53	45½	47½
Alta. P. Grain 6/46	86	82½
B. A. Oil 4/45	103½	103
Brown Co. 5½/46	32½	44½
Burns Co. 5/58	37½	55½
Canada Bread 6/41	105	107½
Canada Cement 4¼/51	104	102½
Can. Steamships 5/57	86	85½
Can. Canners 4/51	103	98½
Can. Int. Paper 6/49	92½	89
C.P.R. 3½/51	80½	88
Dosco 6¼/55	106	98
Fam. Players 4½/51	103	97
Federal Grain 6/49	86½	92
Gen. Stl. Wares 4½/52	98	90
Gypsum Lime 5½/48	100	94½
McCormick's 4/52	91	78½
Nat. Grocers 4/47	100½	100
Reliance Grain 4½/52	83½	91½
Simpsons Ltd. 4¼/51	102½	95
Western Grain 6/49	35½	46

* * *

Sees Principal Loss

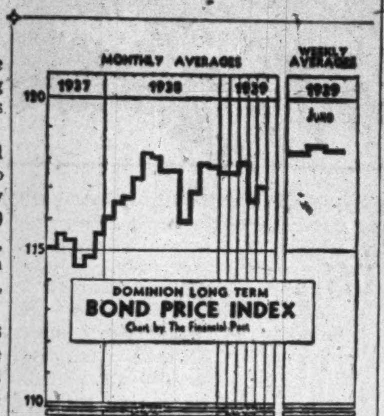
Without forecasting any change of high-grade bond prices, Calvin Bullock, in Perspective, states a "major loss of principal can be suffered in time in the purchase of best-grade fixed-income securities at their current prices, to say nothing of the further loss in purchasing power that would be suffered during a period of pronounced inflationary manifestations."

* * *

Bond Index

DOMINION OF CANADA
Long-term Index

	Weekly average June 16-22	Preceding week June 9-15	Weekly aver. year ago
Price	118.0	118.1	118.3
Yield	60.2	59.9	61.6



East Kootenay Power Income on Lower Basis

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co.'s gross earnings in May totalled $44,398, a decrease of $2,702 from the same month last year. Net income at $29,219 was down $2,117 on the same comparative basis.

For the first two months of the current fiscal year to May 31, gross revenue totalled $86,983, down $5,548 from the corresponding period of 1938, while net at $56,610 shows a decline of $4,925.

Bond Tenders

June 30, Village of Streetsville, Ont.—$27,000, 3½% 20-year debentures. J. W. Drennan, clerk and treas.

12 noon, June 29, Canada Treasury Bills—$25,000,000, dated June 30, 1939, due Sept. 29, 1939.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Position Wanted

YOUNG BUSINESS EXECUTIVE. Fifteen years practical training and experience in various lines. Ten years in managing and executive capacity. At present employed as assistant manager by firm conducting a wholesale and retail business. Desire more attractive position offering greater opportunity. Will work in any capacity and go anywhere. The Financial Post, Box 153, Toronto.

Brazilian Elects New Directors

Shareholders Told Exchange Situation Is Still Poor

Three new directors were elected to the board of directors of Brazilian Traction, Light & Power Co. at the annual meeting. They are, Hon. G. Howard Ferguson, Hon. Gordon W. Scott, and S. H. Logan. They replace D. B. Hanna and Sir John Aird, who died during the past year; and E. H. Stewart, whose appointment was provisional.

Internal business in Brazil is exceedingly good, Miller Lash, president, told shareholders, but the exchange situation is still poor. Mr. Lash was discussing the passing of dividends on the company's common stock.

This unfavorable exchange position is due to low prices received for Brazilian exports in relation to other currency, he said. Coffee had declined 36% in value and cotton, 34% last year. These two products are the country's chief exports.

Coffee shipments in the first four months of the current year were below those of 1938, but ahead of 1937, Mr. Lash said.

Can. Northern Power Earnings Down in May

From Our Own Correspondent

MONTREAL. — An increase in operating expenses resulted in a small drop in May net earnings of Canada Northern Power Corp. Net for the month amounted to $226,631 as against $235,427 in the same month of 1938.

Cumulative returns for the first five months of the year show net earnings of $1,140,443, a decrease of $19,956. Gross earnings for the period were $66,423 higher, but this is more than offset by an increase of $86,379 in operating expenses.

Month of May	1939 $	1938 $
Gross earnings	430,755	421,964
Oper. expenses	204,124	186,537
Net earnings	226,631	235,427
Five Months Ended May 31		
Gross earnings	2,165,175	2,098,752
Oper. expenses	1,024,732	938,353
Net earnings	1,140,443	1,160,399

Goulds Pumps Earns Small Net in 5 Mos.

Goulds Pumps Inc. reports that net income for the five months ended May 31, 1939, was $2,110, bringing surplus to $543,628 before deducting $7,860 for bond redemption expense. Earned surplus as at May 31 was $535,768, after deducting $7,859 as bond redemption expense as compared with $541,519 at the end of 1938.

At May 31, 1939, the company had no funded debt outstanding but did have a $375,000 5-year not payable. The former issue of $238,000 first mortgage bonds was called at the beginning of May.

Financial position shows current assets of $1.3 million and current liabilities were $191,900, leaving working capital at $1.1 million as compared with $1 million at Dec. 31, 1938.

EXTENDS WIRE SYSTEM

Gardiner, Wardrop & Co., Toronto stock exchange member, announces extension of its wire system to include the offices of Jackson Bros. Grain Co. at Brandon, Regina, Calgary and Saskatoon, and the offices of Gillespie Grain Co. and Duggan & Co., both in Edmonton. Gardiner, Wardrop now has its own private wire system which connects New York, Buffalo, Montreal, Winnipeg, Regina, Calgary and the firm's own branch offices in Vancouver and Victoria.

Municipal Finances

Collingwood, Ont., has set its 1939 tax rate at 41 mills. This is the same rate as in 1938.

* * *

Medicine Hat, Alta., tax rate has been set at 43½ mills for 1939, made up as follows: City, 16.85; school board, 23.80; library, 0.85; government tax, 2 mills.

* * *

Sorel — The Quebec Municipal Commission has petitioned the Superior Court to have the City of Sorel, Que., declared in default. If and when the petition is granted, the Quebec Municipal Commission will take control of the finances of the city.

ELECTED TO T. S. E. COMMITTEE

At the recent annual meeting, Toronto Stock Exchange elected two new members to its managing committee. They are Carson McCormack (left), partner in the firm of Mara & McCarthy, and Hector C. Mitchell (right), of the firm of W. G. Mitchell & Co. Re-elected members of the managing committee were Hector M. Chisholm, of Hector M. Chisholm & Co.; Frank G. Lawson, of Moss, Lawson & Co.; W. G. Malcolm, of A. E. Ames & Co.; and J. M. Scott, Jr., of J. M. Scott, Jr., & Co. Together with the officers elected by acclamation last week, these men round out the board.

Wpg. Electric Outlook Better

Net Earnings Up $108,131 for First Five Months

From Our Own Correspondent

MONTREAL.—Present indications are that earnings of Winnipeg Electric Co. in the current year will be better than for a number of years.

The upward trend in net earnings continued in May, net for the month being $15,732 higher than in May last year. Cumulative returns for the first five months show an increase of $108,131 in net earnings.

Results this year to date are a reversal of the trend last year. In each of the first eight months of 1938 there was a decline in net earnings from 1937. In the first five months of 1938 net earnings dropped $70,205 below the figure for the same period of 1937. In the first five months of the current year earnings were ahead of both the 1938 and 1937 periods.

Gross income of Winnipeg Electric in 1938, after deducting operating expenses, was only $49,997 below 1937 and $111,086 below 1936. Continuance of the upward trend of recent months will mean that results for these years will be exceeded.

Better results this year reflect increased power demand. Operating expenses and taxes are higher. The main reason for the better power load is that the Manitoba Paper Co. and Kenora Paper Mills have been taking delivery of more power.

Month of May	1939 $	1938 $
Gross earnings	552,147	527,748
Oper. exps. & taxes	324,848	316,181
Net earnings	227,299	211,567
Five Months Ended May 31		
Gross earnings	2,986,900	2,829,551
Oper. exps. & taxes	1,668,944	1,619,726
Net earnings	1,317,956	1,209,825

Candn. Assoc. Aircraft Awards Plant Contracts

From Our Own Correspondent

MONTREAL. — Canadian Associated Aircraft Ltd. has awarded contracts for the structural steel work on its assembly plants to be erected at Malton, Ont., and St. Hubert, Que. Steel for the St. Hubert plant will be fabricated and erected by Dominion Bridge Co. The Malton work will be done by the Standard Steel Construction Co. of Welland, Ont.

N. B. Telephone Co. Issuing More Stock

From Our Own Correspondent

MONTREAL.—Rights offered to shareholders of New Brunswick Telephone Co. expire June 30. Rights were offered to subscribe for one additional share at $10 a share for each 10 shares held. The offer was made to shareholders of record May 31.

Recently the company applied to the New Brunswick Public Utilities Commission for authority to issue an additional 58,000 shares. The offer to shareholders, if entirely taken up, will necessitate the issuance of 57,848 shares. Issuance of the 58,000 shares will bring the paid-up capital of the company to $6,364,840.

Purpose of the new issue of stock is to pay off a bank loan, amounting to $220,000 at the end of 1938, and to finance capital expenditures. It is estimated the company will spend $850,000 in the current year on improvements and extensions to its system.

C. P. R. Gets $841,250 In Smelters Dividend

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway's share of the half yearly dividend declared by Consolidated Mining & Smelting Company of Canada will amount to $841,250, equivalent to 50 cents a share on its holdings of 1,682,500 shares. This contrasts with a payment on the company's shareholdings of $1,682,500 a year ago, when a regular dividend of 50 cents was paid, together with a bonus of 50 cents a share.

Failure to take action on the bonus for the past half year does not necessarily mean that the C.P.R. will lose that amount of revenue. Earnings for the first half of 1939 were "comfortably in excess" of the dividend declared and the question of paying a bonus will be decided at the end of the second half of the fiscal year.

Dominion Textile Co. Considers Warehouse Plans

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. has called for tenders for the construction of the proposed raw cotton storage warehouse at Montreal. Plans call for part one and part two stories, 605 by 145 ft., part structural steel and part reinforced concrete construction, concrete walls, tar and gravelled roofing, part steam heating.

UNION GAS DIVIDEND

Directors of Union Gas Co. of Canada have declared the regular quarterly dividend of 20 cents a share on the common stock, payable Sept. 15 to shareholders of record Aug. 19.

N.Y. Market Gets Offering Of N.B. Bonds

Additional Funds Needed to Expand Highway Programme

OVER $9 MILLIONS

From Our Own Correspondent

MONTREAL.—Public offering of $9,250,000 of Province of New Brunswick bonds is being made in the United States by a syndicate headed by Smith, Barney & Co., New York investment firm.

The issue consists of $4,250,000 of 5-year 3% debentures and $5 millions of 10-year 3¼% debentures. The bonds are payable in Canadian or U. S. funds at the option of the holder.

New York branches of three Canadian investment firms are participating in the issue. These are Dominion Securities Corp., A. E. Ames & Co., Inc.; Wood, Gundy & Co. Inc., and McLeod, Young, Weir & Co. Ltd. Listed below are the participations of the various members of the syndicate.

Amount of Participation

	3% Bonds $	3½% Bonds $
Smith, Barney & Co.	758,000	892,000
First Boston Corp.	758,000	892,000
Harriman, Ripley & Co.	758,000	892,000
Dom. Securities Corp.	414,000	486,000
A. E. Ames & Co. Inc.	414,000	486,000
Wood, Gundy & Co. Inc.	414,000	486,000
McLeod Young & Weir	276,000	324,000
Hayden, Stone & Co.	229,000	271,000
Whiting, Weeks & Stubbs	229,000	271,000

Registered With S.E.C.

This is the first New Brunswick issue to be registered with the Securities and Exchange Commission at Washington, being the first public offering of New Brunswick bonds to be made in the United States in a number of years. However, two issues of New Brunswick bonds have been sold privately in the U. S. market in recent years. A $3¼ millions issue was sold to a group of U. S. insurance companies in Sept., 1937. A few weeks ago another issue of $1¼ million of 5-year 3% bonds were placed privately.

Sale of this $9¼ millions issue will bring the total amount of financing done by New Brunswick since the end of its last fiscal year on Oct. 31, 1938, to $15 millions. An issue of $4.5 millions was sold in the Canadian market early this year. During the past 4½ years New Brunswick has sold a total of $49.8 millions of bonds, including the present issue.

Proceeds of the issue are to be used for various purposes, but mainly to finance further capital expenditures on roads. Details of how the proceeds will be applied are given in the table below. A total of $2,023,000 will be used to repay bank loans already incurred for the purposes designated.

Purpose of Issue

Repay matured debentures	$ 220,000
Hard surfacing roads	5,152,000
Highways, other than paving	1,500,000
Permanent bridges	1,000,000
Municipal relief works	1,014,000
N. B. Power Commission works	260,000
Aid to deep sea fishermen	104,000
Total	9,250,000

Foundation Co. Secures Montreal Terminal Job

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been awarded a contract by the Canadian National Railways for the second stage of construction of track structure in connection with the new Montreal terminal and for the Lagauchetiere Street bridge. The amount involved in this contract is $240,000.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson	†5%	1952	July 1	105
Canada Packers	4%	1946	July 3	101½
Aluminium	5%	1948	July 1	103
Robt. Simpson	*5%	1952	Jan. 1 '40	105
Western Pwr.	*5%	1949	July 1	105
Shawinigan W.	4½%	1968	July 7	102½

For sinking fund purposes: †£15,060. *All outstanding balance.

CANADIAN SECURITIES
Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Laurence Smith & Company
LIMITED
INVESTMENT SECURITIES
VICTORIA VANCOUVER TORONTO HAMILTON SAINT JOHN

THE LONDON & WESTERN TRUSTS COMPANY
LIMITED
ESTABLISHED 1896
Head Office: LONDON
TORONTO WINDSOR WINNIPEG SASKATOON VANCOUVER

TRINITY COLLEGE SCHOOL
Separate Senior and Junior Schools
FOUNDED 1865
Tradition and Progress
PORT HOPE, ONTARIO
A BOARDING SCHOOL IN THE COUNTRY FOR BOYS
During the past five years boys from the school have won twenty-two university scholarships.
For full information please write to
PHILIP A. C. KETCHUM, M.A., B.Paed., HEADMASTER
Michaelmas Term begins on September 12th

New Issue
PROVINCE OF QUEBEC GUARANTEED
VERDUN PROTESTANT HOSPITAL
3½% 15-Year Bonds
(Non-Callable)
To mature 1st May, 1954
THE BONDS ARE A DIRECT OBLIGATION OF VERDUN PROTESTANT HOSPITAL. PAYMENT OF PRINCIPAL AND INTEREST IS UNCONDITIONALLY GUARANTEED BY THE GOVERNMENT OF THE PROVINCE OF QUEBEC.
All outstanding bonds of the Hospital are guaranteed as to principal and interest by the Province of Quebec.
A descriptive circular will be furnished upon request.
Price: 98.85 and interest, to yield 3.60%.
HANSON BROS.
INCORPORATED
Established 1883
255 St. James St. W.,
Montreal
OTTAWA TORONTO

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Your Investments

Ont. Tobacco Plantations

Will you outline the position of Ontario Tobacco Plantations and dividend prospects for the preferred?

Ontario Tobacco Plantations Ltd., with head office in Simcoe, Ont., is engaged in the growing of cigarette tobacco, known as flue-cured tobacco. It was incorporated in 1927 to take over the assets of the Norfolk Tobacco Syndicate and operates 18 farms in three areas of Norfolk and Elgin Counties of Ontario.

A decline in earnings was shown in the year ended March 31, 1939. Earnings on the preferred stock amount to $3.05 in the 1938-9 fiscal period, compared with $4.27 in the previous year. A dividend of $3 a share was paid on the preferred stock on June 1, 1938, and a similar amount has been declared payable July 3 of the current year. After that payment, arrears will amount to approximately $52.50 a share.

The 1938 crop of tobacco in Canada reached record heights. Average price was 22.5 cents a pound in 1939 as compared with 24.5 cents in 1938. There has been a substantial increase in the consumption of Canadian and other Empire tobaccos in Great Britain in recent years. Canada has obtained a good portion of business and it is expected that as a result of the preferential rate enjoyed under new tobacco taxes imposed in 1938-39 British budget that further increases will result.

The organization has not earned its preferred dividend in full and unless substantially increased earnings are achieved, it is unlikely that the company will be able to meet the 7% dividend on the stock.

Ogilvie Flour

I would like to have your opinion of the common shares of Ogilvie Flour Mills.

Ordinary shares of Ogilvie Flour Mills are well regarded in investment circles and the outlook for the company is regarded as favorable. The company enjoys an exceptionally strong financial position and is well managed. It has been able to earn profits in good times and bad and has paid common dividends continuously since 1904.

The year ended Aug. 31, 1938, was one of the most difficult in the history of the milling industry. Yet Ogilvie Flour was able to earn $1.09 a share on its common stock. One reason for this is that the company has a substantial investment portfolio from which it derives considerable income. Profits in the current year will be well above the 1937-38 level. The situation in the domestic market has improved and exports have expanded.

Inter. Hydro-Electric

What do you think of the bonds of International Hydro-Electric System as an investment? The yield is very attractive.

As is indicated by their price, the 6% debentures of International Hydro-Electric System are speculative investments. A substantial yield can be obtained on the bonds but the financial position of the company is unsatisfactory. In recent years the company has failed to earn its interest charges by a wide margin. However, there has been material improvement in its outlook. Gatineau Power Co. is now paying common dividends and International Hydro-Electric System holds 1,439,020 shares of Gatineau common. This will probably make up the deficiency in income. At the present time International Hydro Electric System is receiving no income from its other principal subsidiary, the New England Power Association.

Algoma Steel

Do you consider the bonds of Algoma Steel Co. a reasonably safe investment?

On the basis of earnings for the past three or four years, since the present Algoma Steel Corp. has been operating, it should be able to cover the interest requirements on its new $3 millions of first mortgage bonds. Annual report for the year ended April 30, 1939, is not yet available but it is not expected to show earnings quite as high as last year when a net profit of $641,255 was earned, equivalent to $1.30 a share on the common stock.

Earnings for the first five months of the past year were apparently on about the same basis as for the preceding period but wider fluctuations in operations took place in the closing months.

Algoma Steel has just placed in operation a new tin plate mill, contract for the output of which is largely taken by Continental Can Co. in Canada. Actual results of operations of this new unit have not yet been proved but, if successful, it should provide a good measure of stability to operations.

Another project just about completed is the opening of the Helen Mine. With the aid of a subsidy from the Ontario Government, this mine is expected to be ready to supply ore by July 1 of this year. This is another project which has yet to prove itself, but company officials state that it is expected to prove an important source of revenue.

Algoma Steel has taken important steps toward diversifying its output in recent years as illustrated by the latest tin plate mill, thus getting away from its former dependence on rails for the Canadian railroads. This item is still an important part of the company's output and in the current year it appears that orders will not be as large as for some recent years. The amount of bonds presently outstanding would appear to be reasonably well secured by both earnings and assets.

B. A. Oil

Will you please describe for me the operating and financial position of British American Oil Co?

British American Oil Co. is ranked as the second largest refiner and distributor of petroleum products in Canada. The company has important interests in the production of crude oil in the United States and also has connections with companies developing properties in Turner Valley in Alberta. Recent developments by the company in the United States have apparently opened up new oil fields although additional work will be necessary before the extent and actual value of the new finds are known definitely.

Last year British American earned $1.14 a share from Canadian operations alone, as compared with $1.30 a share in 1937. This was more than sufficient to cover the dividends paid on the common of $1 a share in each of these years. In addition, last year the company received dividends from its United States subsidiaries equivalent to 26 cents a share on the current company's common stock. This was an increase from the 15 cents a share received from the same source in 1937.

Trend of earnings for British American has been favorable in recent years, although slightly down last year. Sales of gasoline increased last year about 11% and for the fifth consecutive year established a new high record. Profits were kept down by unfavorable prices, developments which have not yet been cleared up.

PROFITABLE LOANS
Your business may be facilitated by timely loans which will enable you to profit from favourable prices in raw materials—to buy in quantity—to carry on production in off-seasons that men may be kept employed.
Each step in the progress of wisely managed production and distribution may offer opportunites to make sound applications for a loan from this Bank.
THE BANK OF TORONTO
Incorporated 1855
1139L

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post has the largest paid circulation of all Canadian financial papers.

THE FINANCIAL POST BUSINESS YEAR BOOK AND MARKET SURVEY, YEARLY, $2.

THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES, YEARLY, $2.

THE FINANCIAL POST SURVEY OF MINES, YEARLY, $2.

DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, $10.

THE FINANCIAL POST SURVEY OF CANADIAN OILS, YEARLY, $1.

THE FINANCIAL POST CORPORATION SERVICE, $20 monthly. Special prices for individually selected investor's service.

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—JOHN BAYNE MACLEAN
President—HORACE T. HUNTER
Vice-President and Managing Director—H. VICTOR TYRRELL

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, JULY 1, 1939

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

Dominion Day, 1940

FEW ANNIVERSARIES in our seventy-two years of national life should be so meaningful as Dominion Day, 1939.

For five weeks we have experienced at first hand the personal leadership which can come from the Crown when exercised with wisdom and tact. In terms of national unity, nothing so far-reaching or significant as the Royal Visit has happened to us since the war—perhaps even since Confederation.

Because of this leadership, doubts concerning the ability and willingness of our diversified peoples to show genuine and spontaneous enthusiasm for the symbols of our common faith have been magnificently dispelled. Thousands of Canadians — young Canadians especially—are echoing the sentiments of a young Canadian expressed during the visit of the King and Queen at Quebec. He said: "For the first time I am proud to be Canadian—I feel there is something beyond my own province."

But what of Dominion Day, 1940?

By the time another anniversary rolls around, what use will we have made of the deep spiritual experience through which we have recently passed? To what extent will we have been able to apply the inspiration of today in solution of deep-rooted social, financial and economic ills?

Essentially the responsibility falls on Canadian political leadership. It is not good enough for political leaders to say they cannot move without public support. The leadership given Canadians by their King and Queen was unexpected as it was vital. The eagerness of the public to support inspired leadership, once it is forthcoming, was clearly shown during Royal Visit. It was the natural result of two young people being ready and equal to the task of leadership when the opportunity presented itself.

There is no reason why equal gratitude and praise cannot be heaped on our political leaders a year from now, if they measure up to the example of leadership set by the King and Queen in recent weeks.

Educating Munitions Manufacturers

ONE WEAK point in the defense and munitions-purchasing policy of the present Department of National Defense is its unwillingness to provide Canadian sources of supply with adequate information in respect of production methods and procedure.

Responsible technical journals such as Canadian Machinery are forced to turn to British and foreign countries to obtain basic information which should be known to every reputable Canadian firm and which is in fact made readily available in other countries. In Britain, for example, a special bureau of information has been functioning for some time to ensure that technical journals and engineering offices have access to as much knowledge as possible regarding the fundamentals of munitions manufacture.

The very opposite policy (reminiscent of an obsolete practice discarded many years ago in most countries) still obtains at Ottawa. Commenting on this at the annual meeting of the Canadian Manufacturers Association last week, W. D. Black, retiring president, said:

"We are still badly behind in the matter of experimental work. It should be realized that, in the engineering and machinery-making trades, it is not possible to shift quickly from peacetime to wartime production. There have been many changes in armaments since the close of the Great War. New weapons have been developed. The increased capacity of high speed machinery is remarkable. Engineers and mechanics who are skilled in these developments are few and more must be educated. Many months are needed for the tooling up of factories, the preparation of specifications, and the securing of special new machinery.

"It may not be necessary in many lines to place large orders at great expense, but it is vital that Canadian manufacturers and their staffs should be given the necessary information in regard to new types of weapons and other war equipment and should be provided with enough experimental orders to enable them to learn how to make articles vital for defense, the production of which could be expanded quickly and extensively in an emergency."

At least three years have been lost during which time much important information and preliminary work might have been done by the government to inform Canadian manufacturers on some of these important matters. Ottawa should adopt immediately an up-to-date commonsense policy in respect of disseminating technical information on munitions manufacture.

This is an essential preliminary to educational orders and to any well-conducted programme of munitions production.

Too Many School Boards

ONTARIO rural public schools still operate under a horse-and-buggy constitution, framed to meet the needs of primary education 68 years ago. So tenacious to traditions are we that we have retained the basic system of 1871.

In that year, inspired by Egerton Ryerson, the Public Schools Act was passed. It was Magna Charta of education and a thoroughly efficient piece of legislation for that time. It converted "fee schools" into "free" or taxed schools.

Much has transpired since that time in the educational field, but the little red schoolhouse still stands, a monument to Egerton Ryerson's excellent work, and to the backwardness of the present rural educational system.

Hampered by a lack of necessary machinery, the Ontario Department of Education has been trying to organize these numerous school sections in the province into more efficient and economical township school areas.

The small country school was attuned to pioneer times, but it lacks many necessary features for education for 1939. Department has been able to bring about a certain amount of improvement in the situation without enabling legislation. It has brought 144 school sections into 28 township areas since 1920.

In Scotland, with a population approximately 67% greater than that of Ontario, 39 educational authorities are charged with the administration of the outstanding educational facilities of that country. In Ontario there are 793 separate school boards, 7,744 public school boards and 500 secondary school boards.

To do this job with dispatch it would be necessary to provide the Department with the necessary machinery. But this would deprive the little red schoolhouse and its three trustees of autonomy and the legislative members hesitate to modernize a relic of 1871.

Floating Holidays

WE MAKE no apologies for using the peg of Dominion Day, 1939, on which to hang our oft-repeated suggestion that "floating" holidays be eliminated as quickly and completely as possible.

Last year thousands of Canadians were unable to enjoy a week end because Dominion Day fell on a Friday. This meant their responsibilities forced them to be back at work on Saturday thus sacrificing a long week end.

This year retail stores will be the chief losers. In some communities an effort is being made to see if the statutory holiday can be evaded and a holiday given to employees on Monday so as to avoid disruption of one of the most important business week-ends in the year.

Furthermore, there will be thousands of wage-earners who will be restricted in their holiday plans compared with what might be possible were Dominion Day to be celebrated (as indeed it should) on the first Monday in July.

Despite important representations to Parliament from every part of Canada and despite almost unanimous endorsation of the press, Parliament continues to cling to the outworn fetish that great occasions should be remembered as "dates" rather than as "days." Our legislators have failed to realize that the commonsense revision of statutory holiday legislation would be to observe Dominion Day as the first Monday in July. Similarly Empire Day should be the third Monday in May.

Such a move would permit ample expression of loyalty to the ideals of Confederation and of Empire. It would permit equal opportunity and enjoyment for all. It would permit the previous Sunday to be set apart for observance of the spiritual aspects of the memorial.

It would end once and for all the confusion and disappointment that must come to thousands of Canadians so long as these important anniversaries shift up and down the week to suit the vagaries of an obsolete calendar system.

"Worry More and Trust Less"

A FEW days ago Premier Aberhart told his flock of hopeful Social Crediters "The people should trust more and worry less."

This led the Calgary Herald to recite some of the opportunities the people have had to trust the word of the Prophetic Bible College leader.

In August, 1936, he told the people of Alberta that payment of dividends would be made October 3 or a little later. In September of that year he promised the dividends within three months.

No person has ever received one cent in Social Credit dividends from the Alberta Government.

Perhaps the Alberta people should "worry more and trust less."

"Perfect" Money . . . at a Price

HAS Germany found a new money system, better than that of any other nation? This was suggested by an M.P. at the Banking and Commerce Committee of the House of Commons the other day.

He recalled that the Germans claimed that, by issuing currency "against the productive power of the state," they had been able to reorganize the military power, the productive power and the employment power of the German people.

Graham F. Towers, governor of the Bank of Canada, who was on the witness stand, demurred. No understanding German put the monetary end in anything better than third or fourth place. It was other measures that have achieved the results that Germany has achieved. And he added:

". . . they have laws determining exactly what the people should do, what they should eat, what wages they should receive and in general how their lives should be regulated. Once that rigid system is installed you can play pretty well any games with money that you want to play."

There is the answer for Mr. Aberhart's Jeremiahs of deficient purchasing power and Mr. McGeer's inflationists and Mr. Tucker's 100% money cranks.

You can have any money system you like and make it work—for a time—so long as you set up a regimented state to dictatorship to run it.

If a family in Germany keep a hen they are not allowed to eat the eggs that the hen lays. Rather they are forced to turn them into a central depositary and then to queue up to get their egg ration along with everyone else.

That is the price one pays for a "perfect" money system. And when one has paid the price one still has not achieved a perfect system. Germany today is issuing "tax certificates" to pay her bills, having reached the practical limit of internal borrowing and fearing further currency issue. It is a desperate dodge that is the forerunner of destructive inflation.

National Historic Sites

EXCELLENT work is being done in Canada in restoring and marking important historic sites in various parts of the country. As one travels across Canada one meets an increasing number of signs designating to motorists and passers-by the approach of one of these places of national or local interest.

One suggestion we would like to make in the interest of greater knowledge and appreciation of these sites is that some way be found to designate or catalogue them for the use not only of Canadians themselves but also for the use of tourists.

Two alternatives suggest themselves.

Either these sites might be numbered serially and a catalogue be published, or else the nature of the monument should be designated on the marker at the side of the road. The latter plan is in use in the United States and is extremely helpful in assisting motorists to decide whether they wish to stop and inspect a particular site. In Canada the road-markers give no indication as to the nature of the site but leave the motorist wondering whether or not he should have stopped and what it was he missed.

The other plan, to have these numbered would add much zest to a motor trip. Visiting motorists could be supplied with a small guide book telling some of the history of the locality through which they are passing. If the important historic sites were numerically listed in such a book, there would be added interest in watching for these along the road and learning about them whether one wished to stop and examine them or not.

Attention to little matters like this should all be part of a national plan to encourage and stimulate the tourist business in Canada and to make travelling of the maximum interest and value to Canadians as well as to visitors.

Sayings of the Week

"If you have not clean, honest administration then you have a rotten patch in your body politic."—*Earl Baldwin.*

* * *

"With the vital exception of the Jews and Bolshevism, Herr Hitler will argue a subject as calmly as anyone else." — *Rt. Hon. George Lansbury.*

* * *

"The idea that to destroy peace will bring peace and that the exercise of hatred can compel goodwill, is of course impractical."—*Booth Tarkington.*

* * *

"New York is not only a great metropolis, but it is a great cosmopolis, and I hope it will never lose that character and that quality."—*Lady Armstrong.*

* * *

"The multiplication of ships and guns and planes you can tabulate; what cannot be scheduled is the searching of heart which is going on amongst our people."—*Earl Baldwin.*

* * *

"Only twenty years ago we won a war to 'make the world safe for democracy,' yet never in our lifetime has democracy been so hard beset as it is today."—*Harry Emerson Fosdick.*

* * *

"I am going to suggest to you that we are suffering too much from the discontent of pessimism in Canada, and that we are quite forgetting the discontent of optimism."—*Sir Edward Beatty.*

* * *

"Either this democracy will develop intelligence enough to give its youth something to work for and something to hope for, or it will not go on being a democracy." — *C. George McCullagh.*

* * *

"While I condemn war as being utterly stupid, hateful and needless, I can never bring myself to believe that a world of human beings will ever be one of pure bliss." — *Senator Elbert D. Thomas, of Utah.*

* * *

"I trust I shall not ruin a hundred years of oratory by saying that our unprotected boundary line is protected by the best defense known to nations. A defense of understanding and trust." —*Senator Elbert D. Thomas.*

* * *

"I still believe the field of economic development is as broad as ever in our history, that it contains just as many possibilities as were offered our fathers."—*Edward J. Noble, U. S. Undersecretary of Commerce.*

* * *

"Prosperity can only result from production, and indeed, production efficiently conducted can always attain credit under any sound banking system. It always gets credit in Canada."—*C. H. Carlisle, president, Dominion Bank.*

* * *

"Politics used to be a game of chess, but it is now a case of firing from the hip, and the man with the quickest 'draw' wins."—*The Bishop of Chelmsford, Dr. Harry Wilson.*

—Cartoon by Grassick.

CANADA MUST GIVE THIS PLANE A HAPPY LANDING

Post-Scripts . . . .

Royal Waterboy

When Roy H. MacDonnell donned a new pair of overalls for a bottle-washing job in the Toronto plant of Canada Dry Ginger Ale Co. in 1929, he little guessed that 10 years later he would be supplying table water and beverages for the use of the King and Queen.

R. H. MACDONNELL

The bottle-washing job did not last very long. Mr. MacDonnell had previously been a salesman with General Motors Corp. When he joined Canada Dry in 1929 he wanted to know how the company's products were manufactured and distributed. Accordingly he started in at the bottom before joining the sales staff. Subsequently he became a zone manager and after experience in New York and Montreal he returned to Toronto as vice-president and general manager of the Canadian company in 1936.

* * *

Last January, when the Royal Visit was taking shape, Mr. MacDonnell got the idea that the experience of his organization in treating various types of water in all parts of the country might be useful to the King and Queen. Knowing the difficulty his company had with obtaining pure uniform quality water, he argued that in the interests of health, similar precautions ought to be taken for the King and Queen. He took his idea to Ottawa and found that no one had thought of this point.

After approaching the inter-departmental committee, officials at Rideau Hall, the militia and the Department of Health, he was turned over to the C.N.R. which had been commissioned to supply and supervise all the food arrangements in connection with the Royal Train. After some analysis and discussion, the company was commissioned to supply every drop of drinking and cooking water used by the King and Queen from the moment they set foot on Canadian soil until they left at Halifax.

* * *

The water was simply the same product used every day by the company to manufacture its product. This process consists of taking water at local points of supply but treating and purifying it to produce a uniform, quality product.

This necessitated a very high degree of organization. Not only did the Royal Train have to be "serviced" all along the route but at every hotel, and every steamboat and warship and even at the White House and the British Embassy in Washington, the one-gallon containers of Canada Dry Table Water had to be on hand for the use of the King and Queen.

Just how much water was consumed during the 30-day visit is not definitely known yet, but the original estimate was to prepare for a consumption of 60 gallons a day. Each container was sealed with a special metal seal, bottled under the direct supervision of a graduate chemist and transported by special truck direct to the point of consumption. Originally the company expressed its willingness to supply this service free but the Government insisted on paying for it. In addition the company got the opportunity to provide the Royal Train with other products such as Canada Dry Ginger Ale, ginger beer and sparkling water, as well as the punch used at the Rideau Hall Garden Party. Even the garden party at the British Embassy in Washington used Canada Dry table water.

* * *

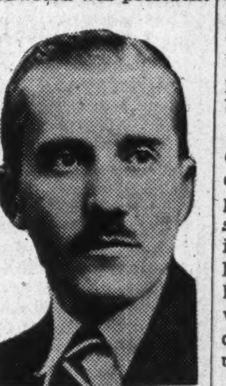
Mr. MacDonnell (who was born in Barrie and educated at St. Michael's College, Toronto, before joining General Motors as a salesman) is glad it's all over, but he has greatly enjoyed this opportunity of serving royalty. It has given his company an opportunity to be in the front line when royal warrants are approved at Ottawa and authorized for use by Canadian firms next year. He has already won for his company a viceregal warrant from Rideau Hall for use of company products.

And by the way, the company reports its business increased tremendously during May—presumably due to the Royal Visit.

* * *

T. S. E. President

As president for 1939-40, the Toronto Stock Exchange has picked a man who is no stranger to the job of directing a major stock exchange. Frederick J. Crawford was president of the old Standard Stock & Mining Exchange for two terms —1926-7 and 1930 - 31. He served on the committee that worked out the details of the merger between the Standard Stock and Mining Exchange and the Toronto Stock Exchange in 1933; was elected to the managing committee of the merged exchanges; became vice-president last year on the death of Hon. Manning Doherty; and now president.



F. J. CRAWFORD

* * *

Fred Crawford was born in Collingwood in 1892, and doesn't look his age. He finished his education at De La Salle Institute in Toronto and started in the stock exchange business with J. P. Bickell, now president of McIntyre-Porcupine. Four years later, in 1919, Mr. Crawford started his own stock exchange firm and has been continuously active in the business ever since.

From the start he has had a conception of a mining Canada—a form of patriotism—which has aided him in bringing considerable American capital to aid Canada's mining industry. One of Mr. Crawford's souvenirs is what he claims to be the largest cheque, roughly four feet by two feet, ever presented to the Bank of Nova Scotia. It resulted from the payment of a wager by T. E. Bragg, a New York associate of "Sell-Em" Ben Smith. When he could not cash the cheque without surrendering it, Mr. Crawford decided he would rather have the specially printed $50 document than the money.

* * *

Although there are rumors that Fred Crawford once aspired to a career as a movie actor, he himself disclaims any such ambition. His only connection with the movies is a friendship with Ned Sparks, the ex-St. Thomas boy, who is expected to come here on one of his annual visits in the course of the next few weeks.

Outside of his stock exchange work Mr. Crawford has found time to serve as a director of the Trusts & Guarantee Co., Maple Leaf Gardens, Ltd., and the Toronto Baseball Club, Ltd. He is a member of the Lambton Golf Club, the Briars Golf & Country Club, the National Club, the Granite Club and a non-sailing member of the Royal Canadian Yacht Club, all of Toronto. He is also president of the Acton Trout Club, about 40 miles northwest of Toronto, and a governor of St. Michael's Hospital, Toronto.

Fred Crawford feels that the stock exchange business will come back. He makes no secret of the fact that present stalemate is hard on the business but he maintains that the cause is rooted in factors over which the exchange itself has no control. When real peace comes again to Europe and Asia, then the public will bring its money out of hiding; investment in new enterprises will thrive; and Bay Street will be happy again.

* * *

Ayrshire Accountant

To fill the presidential chair of the Institute of Chartered Accountants of Ontario, members chose last week James Watt Taylor, who landed in Canada some 33 years ago from Ayrshire, Scotland, and after six years on the Montreal staff of the old Bank of British North America, entered the accountancy field and rose to a partnership in the firm of Price, Waterhouse and Co.

It is reported of Mr. Taylor that one afternoon he proudly walked out of the Montreal office of his company and did not return until he had served 4½ years in France, most of it with the historic Gordon Highlanders. After the war he continued his studies as an accountant and within a year took his final C.A. degree. In 1922 he joined the Toronto office of this firm.

Mr. Taylor and his wife and two daughters spend their summers at Jackson's Point, where he is a past president of the Briars Golf and Country Club. Few people have higher standards of professional conduct and etiquette than this new provincial president.

* * *

Germany and Chamberlain

Prime Minister Chamberlain is still very popular in Germany, according to B. G. Newton, who recently returned from that country. Germans remember that he stopped a war in September last and they regard him as the friend of the common people. They regard him as a simple, honest, peace-loving man.

In an informal talk recently Mr. Newton, who is director of the technical newspapers of The MacLean Publishing Company, told a story that dramatically underscores his point.

"When I was in Cologne I decided to spend Easter Sunday taking a trip by bus to Godesburg, which is where Hitler and Chamberlain met last fall. Our objective was a hotel on the crest of an imposing mountain, surrounded by glorious Rhineland scenery. We experienced great difficulty in reaching it. Traffic was very heavy—by car, motor cycle and on foot. Finally our bus reached the top but had to stop about 400 yards from the hotel. When I had walked to the hotel I found the three large restaurants so crowded that one could not get near them. So I returned to the bus and got into conversation with the guide. He remarked that in ten years service he has never seen such a crowd.

"I said 'It's probably because of the lovely Easter weather, isn't it?'

"'Why, no,' he replied, 'Don't you know that this is the hotel where Chamberlain stayed last September?'"

* * *

Unique Record

Canadian Forestry Association has as its president this year a man associated with an enterprise with a unique record. Arthur Albert Schmon is president and general manager of the Ontario Paper Company. This company operates a newsprint mill at Thorold, Ontario, which has been on full-time operation, 52 weeks a year, ever since it was started just before the war. There has never been a stoppage at the plant due to labor troubles. Mr. Schmon speaks of the reason for this unbroken record as "teamwork between owners, management and employees in maintaining freedom from serious disputes and in achieving the soundness of the enterprise."

Mr. Schmon has been in Canada for 20 years. He came here because during the war he met Col. Robert R. McCormick. Overseas with the American Expeditionary Force, he served under Col. McCormick as a battery officer. After the war, Col. McCormick, whose newspaper owned the Thorold newsprint mill, sent Schmon to Canada. He started as manager of a wood plant at Shelter Bay, P.Q. By 1933 he was head of the enterprise.

It was under Mr. Schmon that the Ontario Paper Company built its giant new mill at Baie Comeau, P.Q., opened last year to supply newsprint not only to the Chicago Tribune but to the associated New York Daily News.

Born in Newark, N.J., in 1895, Mr. Schmon is a Princeton graduate. He has given much time to forestry work in Canada. He has travelled a great deal. This year he spent six weeks in Europe. Recently he joined the board of the Industrial Acceptance Corporation.

Youth Training in B. C.

Vancouver Province

In British Columbia good work has been done in training young men in forestry and prospecting. The province's two largest industries are thus assured of a certain supply of labor. The province's third industry, agriculture, also requires labor, but no attempt has been made, so far, to train young men for it.

This is, surely, an oversight. Farming is one of British Columbia's leading industries. But, more than that, it is a way of life, and a way of life that, in our province, has an appeal and great advantages. It is more than absurd—it is almost criminal—that when there are farm jobs offering and young men eager to take them there is no training course to bring the job and the worker together. The fact that there are unsuccessful farmers in the province, and even farmers on relief, is no argument against training young men for farm work. On the contrary, it is an argument in favor of it.

The young men could be given farm training best on a farm where they would learn by doing. On the farm, they would produce food. The food could be used to feed unemployables who now dine meagrely on the public bounty, and the unemployables could augment the supply by their own efforts. If there was a surplus, it could be used in public institutions. By this means a double problem could be solved and public money saved at the same time.

Surely there is enough ingenuity in British Columbia to undertake this important service. Surely there is a farm somewhere that can be used as a demonstration unit. It would pay the province to set the plan in motion. It would pay the city of Vancouver. It would pay private enterprise.

In the Mail . . .

Walkerville Objects

Editor, The Financial Post:

This is a somewhat belated comment on an article which appeared in The Financial Post of the third instant under the heading, "Municipalities Practise Economy." In the third column the statement is made that, "Results in the amalgamation of four municipalities, now Windsor, Ont., are deemed satisfactory and may serve as a pattern for future amalgamations." As this statement is somewhat misleading, I would suggest the following comments for your consideration:

Satisfactory to whom?

NOT to the citizens of Walkerville, who opposed amalgamation 4 to 1.

NOT to the people of Walkerville, who had completed an arrangement with their creditors to pay 100 cents on the dollar—whose debentures would today have been worth around 110 instead of 72.

NOT to a community that is opposed to confiscation, repudiation and legalized piracy.

If you are sincerely interested in presenting facts to your readers instead of hearsay, why not get in touch with the victims of amalgamation?

The crucifixion of Walkerville is something which should concern every decent, fair-minded Canadian citizen, as well as all publications that believe in justice and honesty.

E. F. LADORE.

Walkerville, Ont.

As Others See Us . . . .

The Mortgage Bank Act

Edmonton Journal

So far as can be judged from the comment in the financial weeklies, the last-minute alterations in the Dominion mortgage bank legislation made it much more acceptable to the lending companies.

The Financial Post states that "the major objections of mortgage, loan, trust and insurance companies were largely heeded," though it declines to predict to what extent these institutions will apply for membership.

The legislation does not provide for the extension of the adjustment benefits to existing mortgages held by individuals. That is its most serious weakness. As The Journal has pointed out, it is unfair to deprive the private lenders and their debtors of the advantages that the Act gives to the mortgage companies and to those to whom they have made loans.

The clause providing that the mortgage companies are not to be obliged to adjust mortgages in a province where the mortgage bank finds debt legislation is unduly restrictive is of particular concern to Alberta. It would be a great hardship to this province if, through the retention of legislation of that character on its statute books, it were denied the benefits of the Federal Act.

Other People's Views . . . .

"You Mustn't Print That"

Ottawa Journal

Today's accolade goes to the presiding dignitary of a Canadian church conference. In an open session one of the delegates, himself a minister, had spoken quite sharply of another denomination, and immediately there were suggestions that the reporters present should not mention the incident. Thereupon the clergyman in the chair spoke words of wisdom. "The only way to stop regrettable things going into the press," he said, "is to stop saying them."

A Killing For Their Friends

Vancouver Province

It was not the critics of the Bren gun contract who insulted or humiliated the War Office officials, but the department of defense which tricked these officials into giving a contract for guns to a friend of a supporter of the Liberal administration. And it was not the critics who sold out Canada's defense and the defense of the Empire, but again the department of defense, which seemed more interested in helping the administration's friends make a killing than in providing either guns for Canadian soldiers or employment for Canadian workmen.

Stop Me If

Here's another delightful story about that very human person, Queen Elizabeth, which hasn't been told before.

When she was lunching at Charlottetown she had in front of her a very attractive bonbon basket. She enquired about it from her luncheon partner who told her it was made of candy.

Apparently unconvinced the Queen, very naturally touched the basket with her finger and then put her finger in her mouth to make sure it really was candy!

Week in Business

Better Business Seen As New Season Opens

Impetus of Royal Visit Maintained — Increased Exports, Good Crop and Tourist Outlook Encourage More Confident Feeling

Canadian business enters the second half of the year on a wave of improvement. At the close of the first six months good news has been in considerably larger volume than bad. Statistics of the various economic areas indicate that the expansion shown by the Dominion as a whole in May was fairly well distributed across the country. Information available for June indicates that the improvement has been well maintained and in some cases extended. The impetus of the Royal visit is still being felt.

One of its most important influences has been the promotion of greater national unity.

Retail trade given a fillip at that time has continued more active. Railway carloadings continue larger than a year ago. Electrical consumption has been heavier. Bank debits are higher. One of the most important developments has been the rise in life insurance sales, reflecting the better feeling. Total Canadian exports in May were $93 millions compared with $67.7 millions in 1938. Of the total increase in exports a large part came from expansion in the trade with the United States. Exports to that country increased to $42 millions from $21 millions. Exports to the United Kingdom in the same period increased to $31 millions from $27.8 millions. The consummation of the barter deal between Great Britain and the United States whereby the former will exchange a quantity of rubber for cotton was satisfactory to Canada in that it did not involve wheat of which there had been some fear earlier.

* * *

While business is now approaching a season when many lines become quiet, there are other factors which point to a continuation of activity. Among these is the crop outlook in western Canada where a large crop is in the making. Added to this is the good start made by the tourist trade. Improved conditions in the United States, where the recovery is entering its sixth week, also point to a continuation of good export business with that country. The proposed spending programme of the United States Government involving $4 billions if put into effect should also stimulate business on this side of the line very materially.

* * *

"In the industrial field," the Bank of Montreal in its monthly Business Summary points out, "conditions remain variable. Construction of airplanes for the British Government is now getting under way and other armament orders are keeping many firms busy and are helping the 'heavy' industries which supply materials. . . . . . Signs of growing confidence are visible in the establishment of new plants." The new plant of the Aluminum Co. of Canada at Kingston and of the Canadian Industries Ltd. at Côte St. Luc, Que., are noted. Cotton mills are only moderately active, some clothing industries are short of orders. Flour milling is less active.

While the D. B. S. weekly index of business activity was slightly lower for the week ended June 17, the recession does not appear to be of any great significance, being due to adjustments in stock trading and the index of carloadings.

Business Indicators

Current business continues active, D. B. S. index for week ended June 17 being fractionally above 1938, though down slightly from previous week.

Carloadings up slightly from year ago, cumulative for year to date down 3.1%.

Railway earnings for third week of June above last year for both roads. Cumulative for year to date up 5.7% and 1.2% for C.N.R. and C.P.R. respectively.

Automobile production in May shows decrease in passenger cars and trucks for May and for first five months of year.

Automobile financing lower for new cars, up slightly for used, in May. Cumulative for five months lower in both cases.

Sea fisheries show decline in both catch and landed value in May. Total catch for first five months up 26.8%, total landed value down 4.7%.

Electric power output in May higher than year ago. Cumulative for five months up 7%.

Exports and imports higher in May than year ago. Cumulative imports for five months down 7.9%; cumulative exports up 10.4%.

Cigarette consumption in May higher than 1938, cumulative for five months up 1.3%.

Bank debits in May above last year. Cumulative for five months up 3.7%.

Life insurance sales in May higher. Total for five months 1.19% above year ago

Trend of business shown by The Financial Post Business Index for May and following key factors, new items for week being marked thus ▲.

	June 17	June 10	June 3	May 27	June 18/38
Commodity prices	73.1	73.3	73.5	73.5	80.2
Weekly index	107.1	107.3	108.4	107.1	107.0
	May	Apr.	Mar.	Feb.	Year Ago
Financial Post index	■116.1	113.2	112.1	113.0	110.4
Retail index no. of sales	....	79.2	76.2	75.6	78.1
Dept. store "	75.5	75.6	71.7	72.2	73.5
Wholesale "	....	87.0	87.4	71.2	89.4
Country (% change fr. last yr.)	....	....	—7.6	—8.8	....
Employment D.B.S. Index—	May 1	Apr. 1	Mar. 1	Feb. 1	Year Ago
All industries	106.2	104.9	106.5	106.5	107.4
Manufacturing	108.4	107.1	107.0	106.0	110.6
Wage earners, No. (000)	....	....	2,161	2,193	2,163
Living costs§	$17.02	$17.04	$17.07	$17.06	$17.36
			Jan. 1 to date		%
Railways—	1939	1938	1939	1938	Change
Carloadings, week (June 17)	▲43,888	43,289	1,024,298	1,057,753	—3.1
C.N.R. gross, week (June 21)	$ ▲3,470,811	3,106,636	82,864,895	78,365,282	+5.7
C.P.R. gross, week (June 21)	$ ▲2,363,000	2,246,000	58,592,000	57,875,000	+1.2
C.P.R. net revenue (Apr.)	$ 913,148	499,551	2,381,069	1,747,500	+36.2
C.N.R. net revenue (May)	$ ▲1,473,054	•478,614	•493,321	•4,909,400	....
Iron and Steel (May)—					
Pig iron production (tons)	57,746	71,602	243,716	339,783	—28.3
Steel ingots and castings prod. (tons)	121,413	114,859	472,239	561,340	—15.9
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Apr.)	14,250	16,772	31,445	37,572	—16.3
Factory output (May)	11,585	13,641	59,383	65,088	—8.7
Trucks and Buses:					
Domestic sales (Apr.)	3,125	3,962	7,648	9,376	—18.4
Factory output (May)	4,191	4,474	19,857	22,338	—11.1
Exports (Apr.)	2,274	4,116	23,221	23,912	—2.9
Financing (May):					
Used	$ ▲4,832,096	4,829,349	13,809,068	15,247,853	—9.4
New	$ ▲4,500,635	5,318,246	12,242,106	16,408,214	—25.4
Construction—					
Contracts awarded (May)	$ 18,360,200	18,590,000	58,249,600	59,727,100	—2.4
Cement, bbls. (Mar.)	209,000	233,000	442,917	509,008	—12.9
Agriculture—					
Flour prod., bbls. (Apr.)	1,113,693	794,282	4,442,698	3,564,182	+24.6
Flour exp., bbls. (May)	515,778	297,126	1,822,109	1,351,828	+34.8
Wheat exp., bus. (May)	13,655,266	3,370,545	36,676,451	18,508,487	+98.1
Cattle sales (May)	67,208	59,824	289,515	273,523	+5.8
Hog sales (May)	59,494	59,396	271,628	320,651	—15.3
Sea Fisheries: (May)‡					
Catch, cwts.	▲988,100	1,082,200	2,879,030	2,272,630	+26.6
Landed value	▲1,812,000	1,883,500	3,788,960	3,973,870	—4.7
Newsprint (tons)—					
Production (May)	250,015	207,678	1,100,519	1,058,177	+4.0
Exports (May)	▲244,399	209,069	970,461	917,766	+5.7
Mining and Oils—					
Coal prod., tons (Apr.)	905,493	870,639	4,566,908	4,961,778	—7.9
Coal imports, tons (Apr.)	264,520	545,287	1,701,359	2,017,754	—15.6
Gold prod., fine oz. (Apr.)	406,795	368,439	1,623,303	1,446,386	+12.2
Nickel prod., lb. (Apr.)	18,443,625	20,469,463	68,451,544	74,047,064	—7.5
Copper prod., lb. (Apr.)	49,759,762	47,750,255	191,290,651	195,129,628	—1.9
Crude oil prod., bbls. (Apr.)	558,779	464,316	1,831,022	1,815,685	+0.8
Crude oil imp., bbls. (May)	3,643,657	3,801,000	9,753,514	9,519,708	+2.0
Electric Power Output (May)—					
Total monthly m.k.w.†	▲2,333,235	2,081,935	11,497,674	10,745,222	+7.0
Foreign Trade—					
Imports (May)	$▲72,957,808	67,123,037	257,369,917	277,745,537	—7.3
Exports (May)	$▲94,882,594	72,791,247	372,760,875	337,371,813	+10.4
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (May)	165,539	124,957	724,003	589,915	+22.7
Shoes, prod., pr. (Apr.)	1,774,578	1,959,885	7,360,581	7,308,310	+0.7
Cotton imports, lb. (Apr.)	4,467,000	6,761,000	25,142,000	42,700,000	—41.1
Raw rubber imp., lb. (May)	5,903,731	5,700,660	24,367,414	18,081,374	+34.7
Cigarette cons. (May) No.†	▲625,869	592,763	2,635,324	2,600,334	+1.3
Sugar manufactured, lb.§	98,295,223	95,504,010	207,845,885	189,466,149	+9.7
Finance—					
Bank debits (May)	$ ▲2,839,207	2,461,867	12,302,222	11,854,491	+3.7
Bond sales (May)	$219,462,536	205,350,369	693,421,463	561,591,550	+23.5
Life insurance (May)	$▲33,657,000	30,342,000	156,777,000	154,929,000	+1.19

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to May 20, 1939.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
§For average family per week, food, fuel, rent. ■Revised. •Deficit.

Industrial Acceptance Volume Turns Upward

From Our Own Correspondent

MONTREAL.—Volume of business handled by Industrial Acceptance Corp. has shown upward trend in the last month and a half. Returns for the first four months of 1939 show the dollar volume of business somewhat under that for the like period a year ago. While May showed a decline, the trend is upward and it is expected that the figures for June will exceed those for the same month last year.

NEW BRANCH BANK

The Dominion Bank has opened a branch at Porcupine, Ont., under the management of N. L. Smith.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
June 26	1.00 3/32	1.00¼
June 24	1.00 3/32	1.00¼
June 23	1.00 3/32	1.00¼
June 22	1.00¼	1.00 3/32
June 21	1.00 3/32	1.00¼
June 20	1.00 3/32	1.00 3/32
U. K. Pound	**Closing**	**Last Year**
June 26	4.69½	5.01¼
June 24	4.69½	5.00⅞
June 23	4.69½	5.01¼
June 22	4.69¼	5.00⅞
June 21	4.69⅜	5.01
June 20	4.69⅝	5.00½

Other Currencies, June 26

Australia	3.76	Italy	.0527¾
Belgium	.1706	Japan	.2740
Denmark	.2096	Jugoslavia	.0232⅝
France	.0265¾	N. Zealand	3.79
Germany	.4023¾	Norway	.2360
Greece	.0086¼	S. Africa	4.68⅞
Holland	.5324	Sweden	.2418
Hungary	.1975	Switzerland	.2260
India	.3511	Hong Kong	.2898

B. C. Shingles Sales Wider

Big American and British Orders Boost Export

From Our Own Correspondent

Vancouver—Business is beginning to come to British Columbia's shingle industry in large volume as a result of the new United States quota, representing an advance from 25 to 30% of domestic consumption in the American market, and increasing demand in the United Kingdom.

Under the new tariff set-up with the United States mills in British Columbia will be able to maintain a more regular flow of production. Practically all the shingles imported by the United States are from this province.

Although Pacific Northwest states opposed further concessions to B. C. shingles, it was successfully countered that American production was not sufficient to meet the demand and that continued underproduction would stimulate sale of substitute, composite and mineral roofings.

Of particular interest to the shingle trade has been the official recognition given by the British government. A British firm, W. H. Colt & Company, whose representative toured B. C. last summer, has obtained a contract for the construction of thirty "evacuation camps" to be used for the housing of children from large cities in the event of wartime air attacks. All these camps are being roofed with B. C. shingles.

"For fourteen years we have been trying to persuade the Government to use British Columbia shingles," the Colt organization informed operators here. "We succeeded in getting various organizations to impress on the Government the importance of not spoiling the English countryside with unsightly camps. Each unit will require 400 squares and the thirty camps will be followed by others so that B. C. shingles will be widely distributed throughout the country."

B. C. shingles are also to be used in roofing a large British airport at Derby.

A small army of shinglers are being recruited in Vancouver to carry out the job in England.

B. C. Power Corp. Maintains Profits

Results for First 11 Months Indicate a Slight Betterment

From Our Own Correspondent

MONTREAL. — Profit of British Columbia Power Corp. in the year ended June 30 were at about the same level as in the previous year. The financial statement will not be available for some time, but results to the end of May indicate a very slight improvement.

Net profits for the 11 months ended May 30, available for dividends on the class A stock, amounted to $1,942,609, an increase of $1,038 over the same period of 1937-38. Thus, earnings should approximate the $2.04 a share earned in 1937-38.

Gross earnings for the first 11 months of the year were $292,324 ahead of the same period of the previous year. Interest and preferred dividends were $45,800 lower, but operating expenses increased $338,086.

Comparative figures for the month of May and for the first 11 months follow:

Month of May	1939 $	1938 $
Gross earnings	1,237,961	1,200,211
Less: Oper. expenses	924,124	886,070
Int., pref. divids., etc.	189,401	191,401
Bal. for A stock	124,436	122,740
Eleven Months Ended May 30		
Gross earnings	14,151,908	13,858,584
Less: Oper. expenses	10,123,691	9,785,605
Int., pref. divid., etc.	2,081,608	2,127,408
Bal. for A stock	1,946,609	1,945,571

Electric Output At Record Level

May Up 12% Over Same Month a Year Ago

From Our Own Correspondent

MONTREAL.—Output of central stations in May was the highest on record for that month, up over 12% from May a year ago. Increases were recorded in all sections of the Dominion, with Quebec leading.

Power Output (000's of kw.h.)

	May 1939	May 1938
Maritimes	74,253	68,459
Quebec	1,261,190	1,063,694
Ontario	657,326	617,072
Prairies	176,098	168,703
British Columbia	164,368	164,007
Five Months Ended May 30		
Maritimes	338,783	347,104
Quebec	6,181,850	5,657,559
Ontario	3,226,313	3,071,720
Prairies	961,458	867,660
British Columbia	789,270	801,179

Southern Canada Power Earnings Rise in May

From Our Own Correspondent

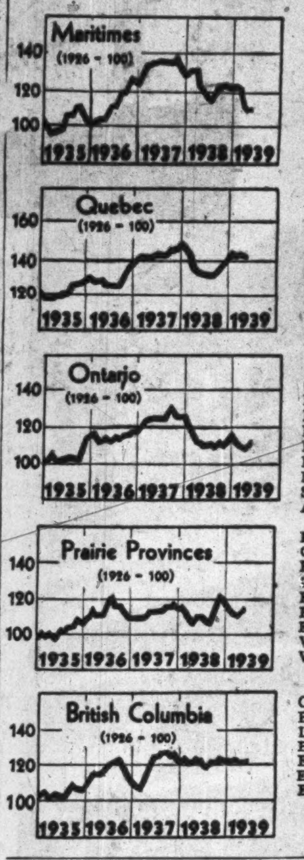
MONTREAL. — A moderate increase in gross and net earnings is reported by Southern Canada Power Co. for the month of May. This is the third successive month in which an increase has been recorded.

For the first eight months of the current year the comany reports a slight reduction in gross and net earnings. Net earnings available for interest, depreciation, amortization and dividends totalled $906,311 in the eight months ended May 30. This is a decrease of $15,120 as compared with the same period of the previous year.

Month of May	1939 $	1938 $
Gross earnings	200,082	191,089
Less: Oper. exps.	87,731	82,391
Net earnings	112,351	108,698
Less: Int., deprec., amort. and divds.	109,703	108,693
Surplus	2,648	5
Eight Months Ended May 30		
Gross earnings	1,595,278	1,575,739
Less: Oper. exps.	688,967	654,308
Net earnings	906,311	921,431
Less: Int., deprec., amort. and divds.	883,555	880,399
Surplus	22,756	41,032

Most Economic Areas Show Business Better

Improvement shown in business conditions throughout the Dominion in May is confirmed by an advance in four of the five economic areas during the month. The recession in Quebec, the only area which did not register improvement, was slight. Expansion was shown in three important factors in the different areas. Electric output increased in all areas except the Prairie Provinces. Gains in life insurance sales were general. Bank debits were higher in the Maritimes and the western areas, while residential building permits increased in all areas except British Columbia.



Trend of Business in Economic Areas

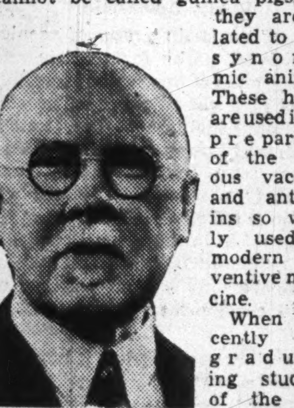
	May 1939	Change from May, 1938 %	April 1939
Maritimes			
Construction contr. $	1,270,000	—42.2	912,000
Bldg. permits $	343,000	+13.6	175,000
Life ins. sales $000	2,197	+2.1	1,963
Bank debits $000,000	65.8	+23.7	46.4
Elec. pwr. kw.h. 000	72,782	+8.4	63,360
Employment*	108.4	—2.3	100.2
Shipping tons	343,903	—1.2	632,695
Exports $	10,394,053	—18.1	20,515,534
Index	110.8	—8.2	109.0
Quebec			
Construction contr. $	4,285,000	—30.6	3,595,000
Bldg. permits $	1,997,000	+61.7	2,003,000
Life ins. sales $000	8,028	—1.3	7,308
Bank debits $000,000	882	+10.1	822
Elec. pwr. kw.h. 000	961,319	+15.0	887,709
Employment*	121.0	+0.5	111.6
Imports of cot. yarn, lb.	485,699	+17.3	317,749
Newsprint prod. tons	250,015	+20.4	220,843
Index	141.9	+5.1	142.3
Ontario			
Construction contr. $	10,852,000	+36.3	5,847,000
Bldg. permits $	2,497,000	—9.4	2,012,000
Life ins. sales $000	15,736	+18.6	13,179
Bank debits $000,000	1,295	+16.0	1,134
Elec. pwr. kw.h. 000	794,254	+14.9	763,950
Employment*	113.6	+1.0	107.9
Livestk. slaughterings*	139.1	+8.7	125.7
Steel prod. tons	121,300	+5.6	99,752
Auto. prod.	15,706	—13.3	16,891
Index	113.0	+1.8	110.7
Prairie Provinces			
Construction contr. $	1,440,000	+18.6	1,198,000
Bldg. permits $	793,000	+57.7	846,000
Life ins. sales $000	4,546	+16.7	3,409
Bank debits $000,000	437	+27.0	311
Elec. pwr. kw.h. 000	177,551	+4.3	182,249
Employment*	101.0	+4.3	94.5
Wheat receipts bu.	5,030,000	+75.4	5,077,000
Wheat prices**	65/4	—43.2	60/4
Index	115.0	+3.8	114.0
British Columbia			
Construction contr. $	514,000	—50.9	752,000
Bldg. permits $	760,000	—57.8	900,000
Life ins. sales $000	2,637	+7.2	2,079
Bank debits $000,000	158.8	+7.7	159.7
Elec. pwr. kw.h. 000	162,808	+0.3	158,380
Employment*	106.6	+1.4	103.3
Exports $	11,788,864	+19.3	9,298,162
Index	122.5	....	121.7

*1926=100.
**Cents and eighths of a cent per bushel.

Keeping Posted

By JOHN C. KIRKWOOD

On the Parke, Davis & Company farms near Detroit are stabled hundreds of horses which never work under saddle or in harness. Theirs is a rather melancholy life. They cannot be called guinea pigs, yet they are related to these synonymic animals. These horses are used in the preparation of the various vaccines and antitoxins so widely used in modern preventive medicine.



JOHN C. KIRKWOOD

When recently the graduating students of the Ontario College of Pharmacy were the guests of Parke, Davis & Company, the company's chief chemist, Dr. Holmes, said that "the most important branches of chemistry today in our profession are vitamin chemistry and biological chemistry. Sterol chemistry is exciting a great interest in the universities and commercial laboratories"; and, as reported in Drug Merchandising, Dr. Holmes went on to say, "We are on the threshold of an entirely new day in the field of pharmacy.

* * *

Automatic Service

The man who originated Piggly Wiggly grocery stores has now originated a new type of grocery service — an electrically operated service. All products are shown in vertical glass-windowed cabinets. The customer is provided with a key which she inserts in a slot alongside the window. This operation prints on a roll of paper attached to the key—which resembles an automatic pistol—the name of the item selected; so when the customer's shopping is completed, and when she delivers the pistol-key to the cashier, the paper roll contains a complete itemized list of her purchases, with prices extended. The cashier totals the extensions by means of an adding machine. The items selected by the customer are released; when the key is inserted in the slot, on to a conveyor belt and are assembled at the cashier's station when the customer arrives, there to be parcelled. But Canadian Grocer, in telling of this "Keedoozle" grocery store as operated in Memphis, Tenn., doesn't suggest that soon we'll be seeing this type of store service in Canada.

* * *

Not All Big

Not all the hydro-electric plants in Ontario are of giant size. Thus, 50 miles north of Toronto there is the plant of the Caledon Light and Power Company, which serves 13 villages and also the rural districts surrounding these villages. This company takes advantage of a 72-ft. drop to generate power from the Credit River.

This company has its own special problems. Thus, by way of example, there is not a continuous even supply of water throughout the year. July, August, September and October are months in which there is low water in the river. So Diesel engines have to come to the rescue of the operators of the plant. How Diesel engines are used by the Caledon Light & Power Company is told in the "Diesel Section" of the April issue of Modern Power & Engineering.

* * *

Publisher Troubles

Publishers of newspapers and magazines have troubles thrust upon them—by both advertisers and editors. Thus, publishers may have to use two different printing processes —and therefore two different presses —to produce a single issue. Take Fortune Magazine, by way of example: Most of its main pages use gravure for the illustrations and ordinary printing for letterpress matter. Not a few magazines nowadays contain a section produced by the rotogravure process, and covers are, in many instances, produced by a process differing from that used for the contents pages.

This matter of printing processes in magazine publishing is dealt with in Canadian Printer and Publisher by Kent Rhodes, connected with Fortune Magazine. Mr. Rhodes says: "It is increasingly dangerous for a publisher to make a decision to accept the limitations of only one process."

* * *

$1,000 for $3

A $1,000 book can be bought for about $3. This book is Profitable Salesmanship, by Kenneth Goode and Zenn Kaufman (Prentice-Hall). It fairly sparkles with epigrammatic gems and tales of how showmanship has been employed to increase sales. Here are some specimens:

Advertising started as a luxury. It is today's great necessity.

If you are aiming for a man's pocket book, start shooting at his heart, not at his head.

In every sales story there's something that can be used as a teaser. Put the mystery element into it. It is a sure-fire way to get more sales.

I have said that this is a $1,000 book. It can have this value to every sales manager. The book is as thrilling as a tale of high adventure.

"Now Let's See..."

"Your baby isn't badly hurt . . . we'll have her all right before you can say Jack Robinson . . . we've lots of time so don't fret your little heart . . ."

Grandad is welcome . . . particularly if he can "pay his way". He gets a great kick out of life because he's independent . . . and can buy the little things that spell happiness for others.

You'll be surprised how little it costs now to be independent later in life . . . and at the same time provide for those dependent on you if you should not live to enjoy retirement.

The Canada Life Assurance Company, 330 University Ave., Toronto, Ont.

Canada Life

Without obligation on my part please tell me how I can get a guaranteed Canada Life Income $50 ☐ $100 ☐ $200 ☐ $300 ☐ a month at age 55 ☐ 60 ☐ 65 ☐

Name ....

Address ....

Born..........Day of.......... 1..........

Canada's Oldest Life Assurance Company

Ont. Hydro Loads Continue to Climb

Primary Power Up 7.3% in May Over 1938

Power loads of the Ontario Hydro-Electric Commission for May continued the upward trend in consumption of the past several months.

Primary load on a maximum 20-minute peak basis increased 7.3% during the month, while the primary load on the Niagara system alone increased 4.6% This is the most important system in the chain.

All other systems of the Commission showed an increase in primary consumption, the largest of which was the northern Ontario properties, which jumped 25.1%.

The combined primary and secondary power load of all systems was up 13.1% The Niagara system increased 13.5%.

Max. 20-Min. Peak Horsepower

System:	May, 1939 h.p.	May, 1938 h.p.	Incr. %
Primary Load:			
Niagara	1,000,804	956,702	+4.6
Eastern Ont.	128,326	117,654	+9.1
Georgian Bay	31,042	27,768	+11.8
Thunder Bay	88,492	82,011	+7.9
Northern Ont.	158,236	126,451	+25.1
Total	1,406,900	1,310,586	+7.3
Primary and Secondary Load:			
Niagara	1,288,338	1,134,718	+13.5
Eastern Ont.	158,661	147,661	+7.4
Georgian Bay	31,042	27,768	+11.8
Thunder Bay	133,378	133,003	+0.3
Northern Ont.	218,558	174,976	+24.9
Total	1,829,977	1,618,126	+13.1

Canadian Wallpaper Dealers' Stocks Low

Shareholders of Canadian Wallpaper Manufacturers Ltd. were told at the recent annual meeting by Arnold Ashton, president, that stocks in the hands of the company's distributors are generally low. As soon as normal demand is restored the company expects to benefit.

Shareholders approved the payment of dividends of 50 cents a share on the A and B stocks, payable July 11, 1939, to shareholders of record July 4. A year ago the company paid $1 a share.

New Building

Bank of Montreal is receiving tenders to June 30 for excavation and substructure for projected 16-story building in downtown Toronto that will house the bank's Ontario headquarters.

Y.M.C.A. of Montreal plans to break ground in the fall for $225,000 building for Notre Dame de Grace branch, though entire project may not be undertaken until later.

Yolles & Rotenberg, Toronto, has had plans prepared for construction of 50-suite apartment house in Forest Hill Village, Toronto suburb.

EXPERIENCE AND STABILITY

The many years of investment experience and the facilities of an extensive organization are placed at the service of our clients. This service may be secured at any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

McLEOD, YOUNG, WEIR & CO.
LIMITED
INVESTMENT SECURITIES
TORONTO
Metropolitan Building
OTTAWA — Ottawa Electric Building
LONDON — Richmond Building
MONTREAL — 231 St. James Street
HAMILTON — Spectator Building
Correspondents in New York and London, Eng.

LONDON
GREAT BRITAIN'S PREMIER PORT
SHIP TO LONDON AND SELL TO LONDON
The World's Greatest Market and Britain's Most Important Distributing Centre
The Port of London Authority are prepared, on request, to put exporters in touch with London selling brokers.
Lantern Slides and Lecture Notes on the Port of London Free on application from Room 710, 1253 McGill College Avenue, Montreal
Also apply to the above address for free literature
For full particulars of Port facilities, apply:
THE GENERAL MANAGER
PORT OF LONDON AUTHORITY
LONDON, E.C. 3, ENGLAND

YOUR EXECUTOR
may be 3,000 miles away

Imagine *your* executor absent—at times when your estate's affairs absolutely demand his attention. He might be away for several weeks. Your estate would probably suffer seriously from the lack of his attention. And his absence might impose great inconvenience and hardships on your beneficiaries.

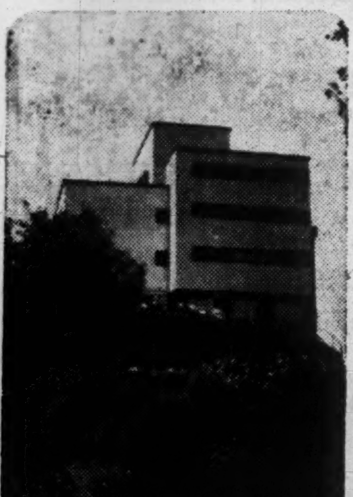
How much wiser for you to appoint the National Trust Company as executor under your will! Then, regardless of illnesses or vacations, capable and experienced officials will carry out your wishes promptly and efficiently. They will give immediate attention to the administration of your estate . . . safeguarding your property and investments . . . and protecting the interests of your family.

Remember that the cost of National Trust executorship is no more than that allowed by the Court to a private trustee. We invite you to write for our informative booklet: "Modern Trusteeship," which shows clearly the advantages of appointing the National Trust Company in your will.

NATIONAL TRUST COMPANY
LIMITED
TORONTO HAMILTON MONTREAL
WINNIPEG SASKATOON EDMONTON

"At the Water's Edge"
IN THE HEART OF
MUSKOKA LAKES
On BEAUTIFUL LAKE ROSSEAU
CLEVELANDS HOUSE
Season June 1 to Oct. 1 AND ANNEX
Invites You
To Spend an Enjoyable Summer Vacation
If You Enjoy a Round of Gaiety There are
SWIMMING — BOATING — GOLFING — TENNIS
DANCING — LAWN BOWLS — BRIDGE — RIDING
If you prefer a quiet, restful holiday there are picturesque walks through pine scented woods, a safe bathing beach for inexperienced swimmers, the comfortable easy chairs on the spacious verandahs and grounds overlooking the lake, offering relaxation that is so beneficial.
The very best of Home Cooking is served and the meal menus are varied and appetizing.
GOOD MOTOR ROADS ALL THE WAY
Further information gladly furnished:
S. A. MINETT AND SON
Telephone 3-33, Port Carling
MINETT P.O. MUSKOKA ONTARIO

Domaine d'Esterel
"Le Paradis des Sports"



Sky high in the heart of the Laurentians—7,000 breathtaking acres of mountain lakes and woodland streams. Every summer sport and pastime. Hotel, Rustic Lodge, Sporting Club, Community Centre with famed Blue Room. Andre Durieux and his orchestra. First run moving pictures. Shops.

Rates: $3.50 to $8.50 American Plan. Restricted clientele. Write for Booklet.

Domaine d'ESTEREL
Ste. Marguerite du lac Masson, Quebec

MAKE THE MOST *of Vacation Days!*

GOLF
TENNIS
RIDING
SWIMMING
BOATING
PING PONG
DANCING

● Here's the perfect design for summer living—a vacation at **MUSKOKA BEACH INN!** Beautiful Lake Muskoka scenery—cool lake breezes—healthy sunshine **PLUS** rest and relaxation in the clear air of the highlands.

All sports—Muskoka's finest sand beach—safe for kiddies. **MUSKOKA BEACH INN** offers the finest in accommodation, service and cuisine. Restricted clientele. Moderate rates. Plan now to make Muskoka Beach Inn your rendezvous this summer!

For folder or reservation see your Travel agent or write
MUSKOKA BEACH INN
MUSKOKA BEACH, ONT., via Gravenhurst. WARREN K. DOAN, Manager
IN THE BEAUTIFUL MUSKOKA LAKELANDS

Canadians Have a Lot to Learn

Too Often Overlook Vacation Attractions Within Dominion

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Increasing harvest is being reaped from extended effort in recent years to publicize Canada's tourist-vacation attractions, and strengthen Canada's economy with increased travel spending. But Canadians themselves remain largely ignored as an objective of campaigns to broaden the appreciation and patronage of the nation's holiday resources.

As a consequence, Canadians continue to lack full comprehension of the tremendous scope, the infinite variety of the Dominion's facilities for travel and vacation pleasure. To some extent, it is a case of "distant pastures looking greener." But by and large the broad sweep of Canada's potentialities for holiday travel seem to suffer from the status of "a prophet without honor in his own country."

Apart from local or regional efforts by private interests in the transport and resort fields, stimulation of tourist-vacationist patronage is concentrated outside our borders, mostly in the United States. This is perhaps inevitable in view of the rich productivity of the U.S. market for Canadian travel assets, and the limited appropriations of the Canadian organizations concerned.

It would also appear partly to reflect the attitude that Canadian travel spending does not represent new wealth to add to the national income. Such an attitude overlooks, however, the fact that lack of appreciation of Canadian holiday resources means that dollars that might otherwise be retained to circulate in Canada, are exported and spent by Canadian travellers in the United States and other countries.

—Photos by C. P. R., Can. S. S. Lines.

Among the most pleasant and refreshing of Canada's holiday attractions are the steamship cruises over the vast lake and river system stretching from the Gulf of St. Lawrence to the head of Lake Superior. The wide variety of inland cruises available range from short jaunts of a day or two in length to journeys covering most of the lake-river system and lasting from a week to 10 days.

Home Market

Efforts to "sell Canada to Canadians" and encourage them to "see Canada first" would undoubtedly keep much of this money at home and increase the aggregate of travel-vacationist spending within the Dominion.

Extent of foreign travel spending by Canadians and indication that it is on the increase, are embodied in the latest official analysis of travel and tourist flows into and out of the Dominion. As compiled by Dominion Bureau of Statistics from available key figures, the estimated spending of American and overseas travellers in Canada in 1938 showed a marked decline, to $273 millions from $290 millions in 1937. But this was paralleled by an estimated volume of U.S. and foreign spending by Canadians only fractionally below the 1937 total of $124 millions.

A significant phase of the figures on Canadian foreign spending is that while travel overseas showed a pronounced decrease, outlay for trips to U. S. points (approximately $104 millions) showed a rise of close to $2 millions. This came chiefly from increase in train and boat travel to the U.S. In other words, many Canadians unable or disinclined to go abroad diverted their travel dollars into the U.S., instead of seeking satisfaction in the equally if not more accessible holiday regions of their own country.

It might also be said in this connection that total of vacation spending was also curtailed by Canadians who, while they stayed in Canada, went to spots in their own districts or provinces instead of venturing farther afield.

There is a wealth of vacation and tourist assets that are distinctively Canadian, and yet are relatively little known or patronized except on a regional basis by Canadians themselves. Notable among examples that come readily to mind are the vast, unspoiled natural domains of our national and provincial parks. Another is the surprising extent of the inland ship cruises that can carry one by water from the Atlantic almost to the centre of the Dominion.

Comparatively limited is the realization that Canada today has in its national park system alone 18 units covering close to 12,000 square miles, in addition to the large areas set aside by provincial governments as game sanctuaries and scenic-tourist-fishing reserves. Major portion of the national system, 12 parks embracing 11,500 square miles, consists of scenic-recreational areas set aside primarily for the benefit of tourists and vacationists. They also function, of course, to protect wild life and scenic beauties in selected regions from settlement, industrial development and hunting parties.

The remaining six national parks also have attraction for tourists. However, two of them (Fort Anne in Nova Scotia and Fort Beausejour in N.B.) are primarily to preserve historic sites and structures. The others are wild animal parks in Alberta to protect particular species from extinction—the Buffalo and Elk Island parks for Canada's buffalo herds, and the Nemiskam and Wawaskesy sanctuaries for pronghorned antelope. While possessing no tourist accommodation and negligible recreational facilities (in Elk Island park), the animal parks are accessible by rail or motor road or both, and hotel accommodation is available close to point of entry.

Easily Accessible

All of the main group of scenic-recreational parks for tourists and holiday makers are easily accessible and offer a varied range of accommodation, including fine hotels, chalets and lodges, bungalow camps, cabins, auto tourists cabins, and motoring camp sites. The one exception is Glacier Park, covering 521 square miles in the magnificent Selkirk mountain range in B.C., which is reached only by rail and has no tourist accommodation except camp sites.

The others are reached if not crossed by rail lines, and are largely penetrated by good motor roads, horseback riding trails, and hiking and climbing routes.

Three Groups

The scenic-tourist parks fall geographically and in type into three groups. In Ontario, the St. Lawrence Islands Park consists of a group of the few remaining islands in the Thousand Islands region which are not privately owned and maintained as summer havens. Georgian Bay Islands Park embraces 30 of the 30,000 Islands, the largest in the park being Beausoleil, a little over four square miles. Point Pelee Park on Lake Erie, near Leamington, covers six square miles. There is no tourist accommodation but camp sites in these parks, but beaches, picnic spots, and other recreational facilities are available.

The prairies group of national parks consists of Riding Mountain Park in Manitoba (1,148 sq. mi.) and Prince Albert Park (1,869 sq. mi.) in Saskatchewan. Both are liberally endowed with lakes and rivers, offer adequate hotel bungalow camp and camp site facilities, and feature such recreational facilities as beaches, boating, tennis courts, and golf courses. The glacier deposits in Prince Albert Park and the buffalo herd in Riding Mountain Park are particular attractions.

In the Rockies

The largest and probably best known group of national parks consists of the seven areas in Alberta and British Columbia. Four of these—Banff, Jasper, Yoho and Kootenay parks—adjoin each other and form virtually one huge park of 7,600 square miles. They embrace some of the most magnificent peaks, lakes and valleys on the eastern and western slopes of the Rockies. Largest and best known are Banff (2,585 sq. mi.) and Jasper (4,200 sq. mi.), but all abound in natural grandeur and are well equipped with a variety of facilities for the accommodation and activity of visitors.

The other three parks in the western group are Glacier and Mount Revelstoke Parks in B.C., the latter covering the lovely alpine uplands on the Mount Revelstoke plateau; and Waterton Lakes Park in Alberta, the Canadian section of the Waterton-Glacier International Peace Park.

Rivalling the national parks in giving an imposing cross section of Canada's scenic and vacation resources, is the fine range of inland waterways cruises on the Great Lakes and the St. Lawrence and Saguenay rivers. Services are operated by the Canadian Pacific on the Great Lakes; by Canada Steamship Lines on the Great Lakes, St. Lawrence River and Gulf, and the Saguenay; and by smaller concerns on Georgian Bay and various of the Great Lakes.

It is possible to travel by inland steamship all the way from the head of Lake Superior, that vast inland ocean, down through the Great Lakes, St. Lawrence River and Gulf, and up the majestic Saguenay, with only a short trip by train to avoid the tedium of the slow trip through the Welland Canal. An infinite variety of shorter cruises are available, however, ranging from a week-end to a week or more, at prices starting as low as $15 and running up to just under $100 for base accommodation.

Canadian Pacific lake cruises start from Port McNicoll and Owen Sound and run to Sault Ste. Marie, Port Arthur and Fort William. C.S.L. services runs from Windsor and Sarnia to Port Arthur and Duluth. Other C.S.L. services operate from Toronto across Lake Ontario, through the Thousand Islands, down the Lachine Rapids by special ships, from Montreal to Quebec, Murray Bay, Tadoussac and other resorts; and down the Saguenay. Special six-day cruises down the St. Lawrence and Saguenay rivers, with stop overs and side-trips at various resorts and points of interest, are available on the C.S.L. ship Richelieu.

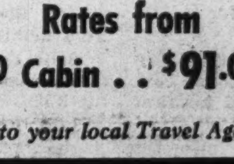
Canadian Port Craft Renovated

The two sister liners "Letitia" and "Athenia" owned and operated by the well known Scottish shipping family of Donaldson, during the past few months have been completely overhauled, redecorated and for the most part refurnished. In both vessels hot and cold running water service has been installed in all cabin and tourist staterooms and in a large majority of the third class accommodation. An air-conditioning system under the control of passengers has also been fitted throughout both vessels.

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2. single, $3. double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

EXPERIENCED TRAVELLERS
CARRY
MONEY
SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

Increased facilities for Cabin and Third Class Travellers
TO EUROPE
A NEW
"TWO CLASS ONLY"
SERVICE
Weekly to Plymouth
Havre . London
by the
"AUSONIA" "ALAUNIA"
"AURANIA" "ASCANIA"



Tourist Class having been eliminated from these vessels, there is greater space available for Cabin and Third Class.

All Cabin Class staterooms with . . . beds instead of berths . . . hot and cold running water . . . and many with private bathroom.

Third Class now enjoys use of former Tourist Class public rooms, staterooms and deck space . . . "B" and "C" deck staterooms now equipped with running water.

Rates from
$132.50 Cabin . . $91.00 Third

Apply to your local Travel Agent, or
CUNARD WHITE STAR
LIMITED
Cor. Bay and Wellington Streets—(EL. 3471)
Toronto

Highest Level Since 1931 Attained by U. S. Building

Urban construction in the United States during May and for the first five months of the year reached higher levels than any corresponding periods since 1931.

Value of building permits issued in 215 American cities, as reported to Dun & Bradstreet, reached a total of $500.5 millions in the first five months, the highest for this period since the total of $609.7 millions in 1931.

Capital Seeking Loans On Realty in U. S. Cities

Excess of available capital over demand for real estate loans prevails in over 80% of American cities, and suburban development and subdivision activity are showing acceleration for the first time since 1937, according to the latest semiannual survey of the American real estate market by the National Association of Real Estate Boards.

Late Spring Boosts Unemployment Cost

From Our Own Correspondent

OTTAWA.—Late advent of spring has contributed to a heavier relief bill for March and April.

Preliminary figures for unemployment relief during April, released this week by the Department of Labor, show numbers on non-agricultural relief more than 8% above the same month last year. Fully employables on relief increased 11%. Similar increases were reported for March and were blamed primarily on the weather.

As a rule the latter part of March and April shows the first signs of the seasonal drop in unemployment relief figures. This year, however, the level of unemployment in the early spring months showed virtually no change. April relief rolls were only 2.7% under the March level. Ottawa officials, however, are confident that this situation will be offset, partially at least, by a better showing than usual for May.

The higher level of unemployment coincides almost exactly with the decrease in employment, as between April, 1939, and April, 1938, which brought the D. B. S. index of employment down nearly 1 point below the last year level. This in turn is accounted for very largely by failure of construction to show any marked seasonal gain, employment figures for the quarter being the lowest since 1934.

Machinery Set in Motion For Income Tax Credits

From Our Own Correspondent

OTTAWA.—Forms for the use of firms who intend to take advantage of the income tax rebates for plant improvements and extensions are being mailed to all corporation taxpayers this week. There has been a wide demand for the forms, and some evidence that the extent of the exemption is not fully grasped.

Some businessmen are under the impression that this exemption, like most other income tax exemptions, applies in computing to taxable income. Actually it applies to the "tax that would otherwise be payable."

How Credit Works

The exemption works in this way: If a company has an income of $100,000, its annual tax, at 15%, would normally be $15,000. If $50,000 is spent on capital improvements before next May, the company is entitled to claim a credit of $5,000. This would be rebated to the company in the form of annual deductions of $1,667 from its tax payable in each of three years (during the six years after April 30 next) in which it would ordinarily have to pay income tax.

If the $5,000 credit applied only to taxable income, as some executives seem to think, this would merely cut the sample firm's net taxable income to $95,000, and its net tax to $14,250. That would mean an actual tax reduction of only $750, for one year only, compared to the actual benefit provided in the budget of $1,667 for three years, or a total of $5,000 off tax.

There are conjectures in some quarters that even Ottawa authorities did not appreciate the potential effect of the concession, and the extent to which tax revenues would be cut by firms hastening to take advantage of the credit plan. However, it is now in the statutes and it is too late to try and limit its application to taxable income.

New Books . . . .

The Other Side

EUROPEAN JUNGLE. By F. Yeats-Brown. Published by Collins, Toronto. Price $3.50.

Here is a paradoxical book: one that is at once tendentious and yet refreshing. Books as one-sided as this usually annoy this reviewer to the point where he throws them as hard as possible against the opposite wall. This is one that we read word for word and finished with the wish that it were longer.

Douglas Reed, G. R. E. Gedye, Edgar A. Mowrer and a host of other bitter, disillusioned commentators have told us their story of Europe. They see it a madhouse where democracy is slowly being tortured and going crazy. They see spooks and devils and bestial sadists in command. Hitler and Mussolini have turned them into "reds" or something akin to that. They are so mad at the dictators that they can no longer think straight or write objectively.

Now our old friend the Bengal Lancer comes along and turns the tables. He looks at Europe and he sees a lot he does not like. He thinks the Nazi-Fascists, are a pretty reckless and dangerous crew. But he keeps his eye focused on the greater evil, "the snake in the European jungle," Communism. The "liberal" writers gaze upon Europe and it looks blue. Yeats-Brown looks at it and he sees red.

If the book is so one-sided what is it that makes it so difficult to lay down? First is the fact that reading it helps to redress the balance. It is an antidote to too much hate. Second, is that, despite its obvious bias, it piles up a high tower of hard, honest facts that most writers have seen fit to ignore entirely. Yeats-Brown reminds us of the cunning of Dr. Benes; the torture chambers of Republican Spain; the murderous tyranny of Josef Stalin.

Yeats-Brown would have Britain prepare for either war or peace. "War, if Germany transgresses certain limits; otherwise peace." Throughout his argument he endeavors to make it clear that honest peace with Hitler is not impossible.

On a short view, he says, Germany and Italy are making claims on us that are more dangerous than any ideological threat from Moscow. But on the long view he would have us make no terms with the Comintern and what it stands for, namely the annihiliation of Christianity and our whole system of civilization.

The real truth of Europe is not to be written in a paragraph or in a single volume. It is a more elusive and perplexing thing than is recognized by the "lower left" authors of most of the recent books filled as they are with cant and malice. There are aspects of the situation that are not as familiar to us as they should be. These are the aspects that Yeats-Brown presents to us in this account of his last five years of fact-finding travel throughout European lands. If you have read "Insanity Fair," "Fallen Bastions," "Disgrace Abounding," if you have drunk deeply from these cups of literary bitterness and pinkish propaganda, if you have accepted their messages, as the whole truth, then we dare you to read "European Jungle."

How Monopoly is Born

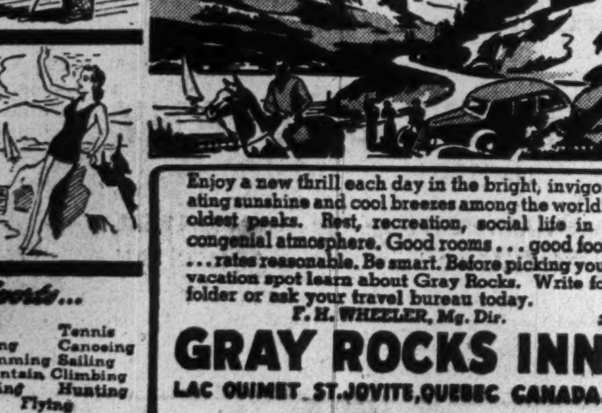
THE ECONOMIC BASIS OF CLASS CONFLICT. By Lionel Robbins. Published by Macmillan Co. of Canada, Toronto. Price $2.

Clear in mind and facile in expression, Lionel Robbins, professor of economics in the University of London, has done some of the best writing of the past ten years of world disturbance He has a happy faculty for writing books, essays and press articles that can be enjoyed equally by the layman and the economist. "The Economic Basis of Class Conflict" is a collection of several of his recent papers adequately meeting this difficult test.

While the papers were written at different times and deal with different subjects they analyze a related group of problems—the difficulties created when group interests clash with the larger social interest of a nation or the larger world itself—Professor Robbins has penned a notable indictment of many forms of group action. He makes it quite clear that when various groups in society band together to serve their own interests they are as likely as not to carry their programme to the point of rendering a disservice to the people at large.

IN MONTREAL
. . a good address, plus all that your hotel should be :
THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, VICE-PRESIDENT
CHAS. H. SENDEY, MANAGER

YOUR KIND OF VACATION IS HERE IN THE HEART OF *the Laurentians!*



Enjoy a new thrill each day in the bright, invigorating sunshine and cool breezes among the world's oldest peaks. Rest, recreation, social life in a congenial atmosphere. Good rooms . . . good food . . . rates reasonable. Be smart. Before picking your vacation spot learn about Gray Rocks. Write for folder or ask your travel bureau today.
F. H. WHEELER, Mg. Dir.

Sports . . .
Golf, Tennis, Riding, Canoeing, Swimming, Sailing, Mountain Climbing, Fishing, Hunting, Flying

GRAY ROCKS INN
LAC OUIMET . ST. JOVITE, QUEBEC CANADA.

Come to Beautiful GERMANY
for a Thrilling, Romantic
SUMMER HOLIDAY!

You will be warmly welcomed in Germany where European travel attractions are at their best. What a varied holiday awaits you! Enjoy the cool tonic summer weather of the glorious Black Forest and mountains and lakes of the German Alps. Thrill to the charm of the romantic Rhineland, the glories of the Blue Danube; revel in Goethe's Weimar; taste student gaiety at Heidelberg; see the art treasures of Berlin, Dresden, Munich and Vienna. Or the supreme musical experience of the Festivals of Bayreuth and Salzburg! Or regain your health at one of Germany's world-famous spas: Karlsbad, Baden-Baden, Marienbad, Gastein, Nauheim, Wiesbaden, Kissingen, and many others. You and your family will enjoy a world of pleasure, gaiety, fashion, history, romance, art and sport! Be among the thousands of visitors whom Germany will welcome this summer!

60% Reduction

in Railroad Fares for Canadian visitors. Travel Marks permit a further saving to you of about 40% on your tourist expenditures. Canadians need no visa. Germany is now as inexpensive as it is delightful!

● *For illustrated literature and detailed information, consult your travel agent or write Dept. L.*

GERMAN STATE RAILWAYS
Information Bureau
DOMINION SQUARE BUILDING · MONTREAL

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JULY 1, 1939 | 10c a Copy; $5.00 a Year | No. 26

Aircraft Industry Grows

British War Orders Brighten Horizon But Prospects Hard to Appraise Exactly

It would be a very decided pessimist who would say that the aircraft industry has no future in this country. By its geographical format Canada provides an ideal set-up for the development of an aircraft industry. The wide spaces of the Dominion and the difficulty of access to various economic areas of importance by ordinary means of transportation, ensure that aviation must develop to an extraordinary degree.

In addition to the commercial prospects, the national defense programme of the Dominion Government and the desire of the British Government to have a safety line in the matter of aircraft supplies, indicates that the Canadian industry should develop into an active economic unit.

There is reason for feeling bullish on the outlook for aircraft manufacturing. But such bullishness should be tempered with caution, not because of the prospects ahead, but because of the paucity of information available on the industry and the known problems of operation and finance that remain to be solved.

Reason for Bullish Feeling

It is known that a very considerable volume of business has been placed by the British and Canadian Governments with the Canadian aircraft manufacturing companies. This is an established fact. But when details are wanted as to the exact volume of business placed, types of machines, the money involved, margin of profit, and other matters of interest to the public or the investor contemplating an investment in the industry, there is a scantiness of essential facts that is foreign to most other industries.

For example, the British Government has placed an important order for bombers with the Canadian Associated Aircraft Ltd. This company, in part a holding unit and in part a manufacturing concern, is distributing the business among a number of manufacturing concerns, which, in turn, are shareholders in C.A.A.

The size and value of this contract have not been known officially. Various estimates place the value anywhere from $7.5 millions to more than $10 millions. There is no accurate information as to when a commencement will be made on deliveries: whether or not other orders have been promised. In connection with the latter it has been said that if the "trial" order is satisfactory, other contracts will be forthcoming.

Few Manufacturers

Because of the intricacies of manufacture, the necessity of a highly skilled personnel and adequate capital, the aircraft industry in Canada has tended to become concentrated in a few hands. At present there are less than 15 manufacturers. Some are engaged solely in the commercial field, but the majority are manufacturing or are in a position to manufacture military aircraft.

The placing of the Government contracts with the Canadian companies has had a widespread influence. For example it has resulted in a number of agencies being established in Canada to sell instruments or parts of the machine which it is not feasible as yet to manufacture in this country because of the limited demand.

Not a few industries have been established to serve the greatly increased demands of the manufacturer. The Aluminum Co. of Canada, for instance, is now at work building a $4.5 millions plant near Kingston for the manufacture of hard alloys of aluminum. Obviously the company would not undertake a project of such size and importance without very definite assurance from the Canadian or British Governments that sufficient aircraft business would be placed with Canadian firms to make it worth while for them to go ahead.

Question of Profits

The industry is still largely in the formative stage and none of the operators has any lengthy record of earnings. In the past they have handled a comparatively small volume of business, so that it is difficult to say just what they can earn, given sufficient business to keep their plants working to capacity, as is likely to be the case with the majority over the next two or three years.

Greatly increased earning power is in prospect. But it is probable that the returns for the first year or two are likely to be disappointing in that the operators will take the opportunity of writing off the initial expense in preparing plant and equipment to handle the British and other contracts.

It must also be kept in mind that, welcome as they are, British and Canadian orders for military aircraft will not necessarily establish the industry on a stable, efficient and profitable basis. Rigid standards and complex production problems are involved in manufacture of aircraft, especially for military purposes.

Evidence is not lacking that various problems remain to be solved, and possibly that production methods and general organization of the industry may have to be overhauled, before it can be deemed to be on a sound operating foundation.

Room For Improvement

Strong suggestion as to how the operating efficiency and capacity of the Canadian industry could be improved, particularly in regard to military aircraft production, was implied in an address last week by Lewis C. Ord, general manager of Canadian Associated Aircraft Ltd. Speaking at the annual meeting of the Canadian Manufacturers' Association, Mr. Ord stressed the importance of decentralized production of component parts of 'planes and centralized output of completed machines.

These are requirements only partially achieved by set-up of Associated Aircraft, much less by general operations of the industry as a whole.

He also estimated that capacity of the Canadian industry on its existing basis was only one third of the Australian industry as at present organized. But he believed Canadian potential capacity to be two or two and a half times the Australian if the production system established in Australia and in England were followed. Such methods accomplished not only lower production and unit costs, but greater speed of output, he emphasized.

Mr. Ord, drafted from the British Air Ministry to direct production of British bombing planes by Associated Aircraft, went at some length into the problems that had to be met in large scale production of military machines in England; the method adopted to produce British planes in Australia; and the considerations affecting the order for British bombing planes assigned to Canadian Associated Aircraft.

Mr. Ord emphasized that even in England, the high cost of setting up jigs, patterns and other equipment ready for production, and the time and expense of training the necessary production staff up to full strength, made it essential to decentralize production of component materials and principal parts of airframes. As far as possible, he explained, all units required of any particular component of a plane should be made in one plant. This method would keep to a minimum the initial production cost, and the cost per unit produced, of setting up jigs and training labor for output of the particular airframe part involved.

Auxiliary Plants

He revealed that in the current intensive production in England of machines for rebuilding of Britain's air force, from 60% to 80% of the labor involved in construction of airframes (as distinguished from engines) is contributed by auxiliary plants or industries producing component parts under sub-contracts. The Air Council has ruled that at least 35% of the man-hours necessary for aircraft production must be contributed from outside the airframe industry proper.

Stressing that large scale peace time military aircraft production could not be continued on a permanent basis, Mr. Ord suggested that plants in appropriate non-aircraft industries should be organized for supply of parts and materials. He declared:

"Nothing is more certain than this: Very heavy development of military airplanes is something that may have a two years run, it may have a three years run, and then it's going down. Finances will force it if common sense doesn't."

22,000 Drawings

Dealing with the complexities and special difficulties of aircraft construction in comparison with other forms of manufacturing, Mr. Ord pointed out that a modern large military aircraft required from 8,000 to 22,000 different drawings of parts before production could even be started. Extraordinary accuracy and control in production to ensure reliability of performance by the finished plane, and ability of spare parts to fit when required for repairs, were prime essentials.

The objectives in placing the order for British planes in Australia, which incidentally was considerably larger than the order placed in Canada, were outlined by Mr. Ord as: Production of a plane suited to Australian production, suitable for operation in Palestine, Iraq, Egypt, India and similar areas, and able to fly from Australia to its destination. To fill the order as quickly, efficiently and economically as possible, orders for component parts and materials were given to single firms, so that outlay for jigs, tools and machines required for each component would not have to be duplicated.

Mr. Ord noted that this was somewhat different from the plan adopted in Canada, where British planes will be produced at two main assembly plants from units fed from two groups of contributing plants.

Under the present set-up in Canada, Mr. Ord doubted that Canadian producers, even with their newly extended floor areas and capacity, could handle British orders much beyond what had already been placed. But he believed that if other firms and auxiliary plants were organized on the same basis as adopted in England and Australia, Canadian surplus capacity, above that required for Canadian Government orders, could be extended "very many times."

The production of complete machines by several firms, if carried to the length of giving orders for complete machines to, say, 20 firms, would increase the initial jig and tool cost by $6-$8 millions, Mr. Ord estimated. The quantities of each component piece or unit made by each firm would be one twentieth of what it could be with each contributing firm making the maximum number of each part required.

Split Work

The ideal method, in Mr. Ord's opinion, was to split up the work of producing components and farm out the work so as to reduce to a minimum the variety of work handled by any one firm. This resulted in great savings in both cost and production time. The extra transport cost this involved was much less than the extra tooling cost of the alternative method, he declared. He estimated that:

"You could manufacture airplanes and airframe parts spread all over Canada without increasing your costs much over 1% or 2% by the added transport, as far as Halifax and Vancouver if you like, provided one principle is observed. Keep the bulky units close to the airports and parts easy to ship at the distant points. More important, make all of one piece in one location to get the maximum advantage of quantity that the order affords.

"An ordinary plane splits into anything from 14 to 20 major bits that you can make separately. Then you can split the bits and subcontract them outside. Proof of that is that the number of firms doing subcontract work in England is over 3,000."

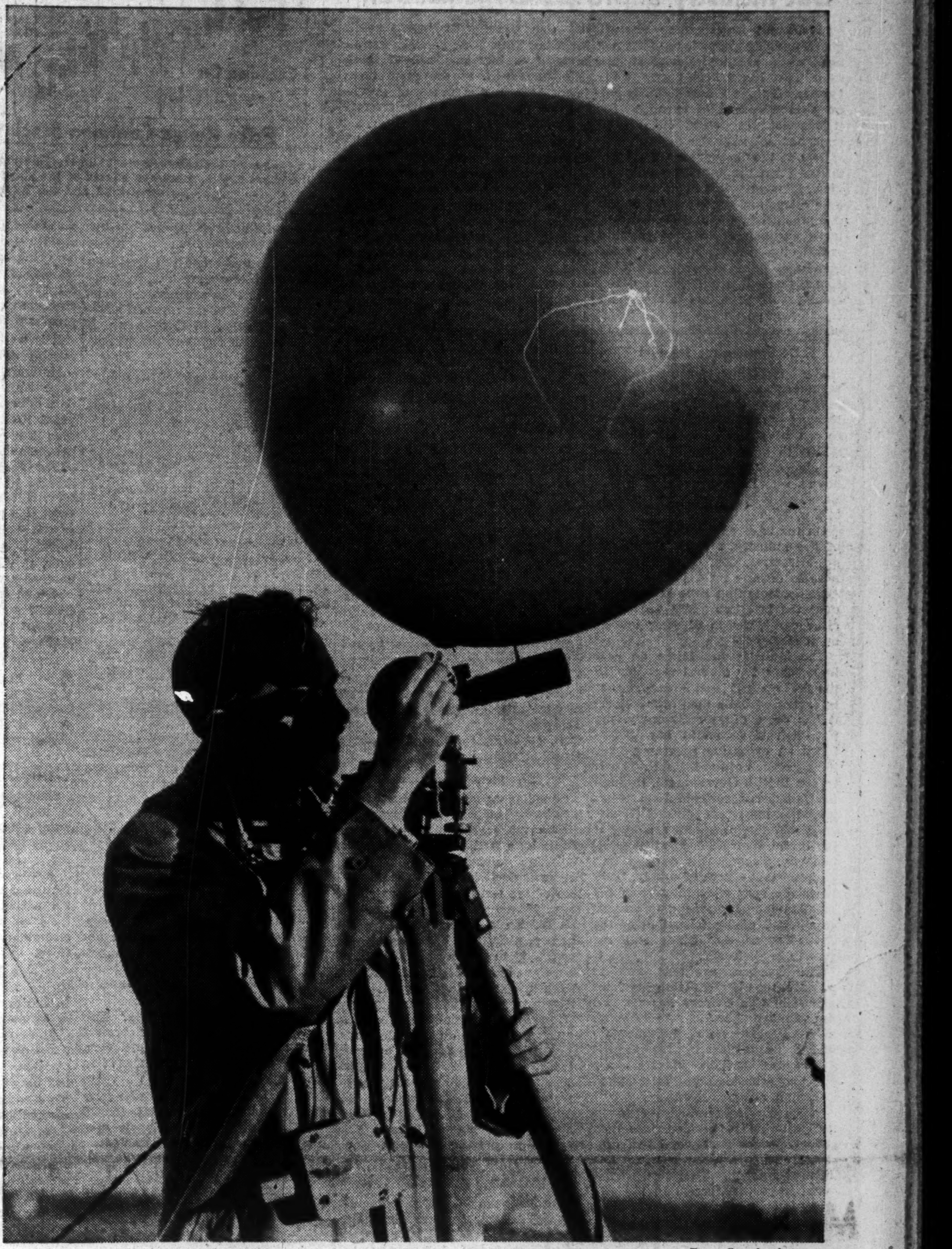
As to placing training orders for a small number of aircraft—say, 10 machines—with a particular plant, Mr. Ord estimated that it would cost British authorities four to seven times the price per machine obtainable from quantity production in England.

Fly in Ointment

One fly in the ointment of the Canadian aircraft industry, or for that matter any company or group engaged in supplying the requirements of the Department of National Defense, is the bill passed at the last session of Parliament limiting profits to 5% on non-competitive contracts.

There was strong opposition to this piece of legislation. It was pointed out that the aircraft manufacturing industry is not subsidized, as it has been and is in most other countries. It has been kept in existence only by the continuous investment of new money by those who had faith that eventually its necessity for national defense and commercial transport would be recognized by the Government.

This bill does not make especially attractive any contracts which might be placed by the Canadian Government for military aircraft. However, it is not retroactive and, of course, does not apply to the major contract negotiated with the British Government. It is, of course, possible the 5% limit may be evaded by devices such as dummy bidders to keep contracts out of the non-competitive class to which the profit limit applies.



—Trans-Canada photo.

Frequent weather tests are essential for smooth operation of air transport.

Passengers landing at Winnipeg Airport, overnight journey from Montreal or Vancouver.

—Trans-Canada photo.

Uncertain Plane Market

Problems in Field Of Air Transport Curtail Purchases

By GUY S. CUNLIFFE

Staff Writer, The Financial Post

Unsatisfactory condition of Canada's air transport industry and its consequently limited demand for aircraft equipment go a long way to explain the difficult struggle of the aircraft production industry for a firm foothold in the Dominion.

They shed much light also on the eagerness of the manufacturers for British, Canadian and export orders for military aircraft, despite the attendant knotty problems of production to rigid standards and limited if not uncertain profits.

Even at the best of times, when Canadian air freight volume was bounding upward and air transport facilities were mushrooming, the transport industry provided the equipment producers with a questionable and fluctuating market. Faced with the need in many cases for special types of equipment, and often for rapid delivery, the transport operators have relied to a considerable extent on imported products.

The interurban craft for Trans-Canada Air Lines have all been imported.

Such business as Canadian manufacturers have obtained from the transport field has meant a constant battle to keep down unit production costs, to deal with problems of production and selling finance. Virtually all of the producing concerns, particularly those engaged solely in aircraft manufacture, have been compelled to round out actual production of aircraft and parts by providing repair, renovation and servicing facilities. Capacity of the producers is far beyond what normal demand will be for some years to come.

Problem Intensified

Within the past 18 months or so impact of these and related difficulties has been intensified. Struggle of the air transport industry with such hobbles as excess of operators in many areas, cutthroat competition, and unprofitable instability in regard to air-mail carriage, has been accentuated by dwindling volume of air freight business. This has resulted from restriction of investment in new mining operations, and consequent curtailment of prospecting activity and of initial development of promising properties. Business arising from both these fields has contributed vitally in recent years to Canada's leadership in volume of air freight carried.

Coupled with extension of roads and rail lines into mining areas, especially in northern Quebec and northeastern Ontario, shrinkage of business from mine developers has put some transport operators out of business altogether, severely curtailed the operations and revenues of others. This has not only slowed demand for new planes and equipment, but has thrown second-hand planes on the market, thus adding to the competition from imported new machines.

Operating Deficit

Even in 1937, when air freight and express carried in Canada reached a record peak of 26.3 million pounds, plus air mail of 1.3 million pounds, official statistics show that commercial air services operating revenues of about $3 millions failed to meet operating expenses by a margin of $450,000. Despite the reduction of services and expenses last year, available figures indicate the 1938 primary deficit was even larger.

The Dominion Bureau of Statistics annual survey of the air transport industry in the past has taken a year to complete, and even the provisional figures are usually not available until well into the summer. However, such partial figures and estimates as are available from leading operators indicate that 1938 freight-express volume was at least 12% and possibly 25% below 1937. If the decline was as great as the latter percentage estimate, it would mean that last year's business fell back to 1935 levels.

While the operating experience and financial results of the various transport operators vary considerably, even the ones able to show an operating profit paid little or nothing on investment after allowing for carrying charges, etc.

Future Prospect

It is difficult to appraise prospects for the industry as a whole for this year, or even results to date in 1939, owing to lack of regular reports from either individual companies or government sources. As far as can be learned, however, freight volume so far has shown no increase and there is little or no expectation of the year as a whole showing noticeable improvement over 1938.

As to the long term outlook, there is some basis for hoping that air transport operations in the future will expand beyond even the 1937 peak, and will become more stable and financially sound. There are still vast areas of Canada awaiting mineral exploration and development when investment flow resumes, and the Government has set up machinery for closer control on a stable basis of air transport operators.

Interurban Field

It may also be possible for the industry to establish some foothold in the interurban field, at present dominated almost entirely by the Government-controlled and subsidized Trans-Canada Air Lines.

This, however, may lie some time in the future and it is likely that T. C. A. will retain control of the more important routes, such as Montreal-Toronto-Windsor. Supporting this is T. C. A.'s recent action in establishing service, apart from its trans-Canada operations, between Montreal, Ottawa and Toronto, and the negotiations under way with U. S. authorities regarding service between Toronto and Windsor-Detroit, possibly Toronto and Buffalo.

Hope for Control

Another hopeful phase of the air transport outlook is that the Dominion Transport Board will exercise its licensing and other powers with prudent firmness in regard to the industry. The Minister of Transport has given assurance that once the Board has gone through the process of licensing existing routes—which the minister thinks are largely overserved—future licenses will only be issued when the area involved needs service and can support it.

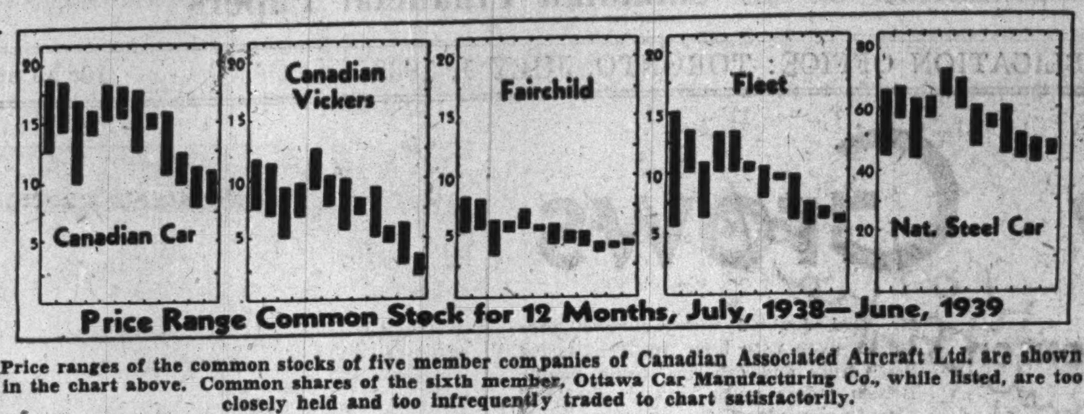
Enlightened regulation of the industry should also do something to improve the expensively chaotic situation in regard to air-mail contracts. At the moment the Government is doing little or nothing to improve this situation, which is featured by glaring discrepancies in rates and arrangements, and returns which mean either actual loss or inadequate profit to operators.

Recent analysis by the magazine "Canadian Aviation" showed that rates are based variously on mileage travelled, poundage carried, round trips made, and annual lump sums. Worked out on a uniform mileage basis for purposes of comparison, rates run from as low as 3.2 cents a mile to $1.22. Rate for Trans-Canada Air Lines, which is designed to be on a minimum profitable basis, is 60 cents a mile.

The catch is that as long as there are too many operators and all or some are willing to cut rates to get contracts, just so long will returns for both air mail and freight-express continue to keep the transport industry floundering in a morass of financial insecurity.

Investment in Canadian Aircraft Stocks

New Field Continues Spectacular But Industry Improves Organization



Price ranges of the common stocks of five member companies of Canadian Associated Aircraft Ltd. are shown in the chart above. Common shares of the sixth member, Ottawa Car Manufacturing Co., while listed, are too closely held and too infrequently traded to chart satisfactorily.

Investment in Canadian aircraft manufacturing stocks to date has not been very profitable, nor, at the same time, has it been costly to investors. This is a new field. It has no proved record of earnings, for it has not yet passed out of the experimental stage.

Despite the "greenness" of the industry from the investors' point of view, it nevertheless holds considerable attraction. The record of the manufacturers in other countries, more particularly in Great Britain and United States, have, in some instances, been rather spectacular. Hence there is a widespread desire among many investors in this country to "get in on the ground floor" of this newest Canadian industry.

Of Speculative Interest

The speculative element attached to investment in the Canadian aircraft industry is not to be minimized. None of the manufacturers have any record of aircraft operations upon which to base a sound investment conclusion. Taken as a group, they have a very limited record of operations and few, if any, have operated at a profit.

On the basis of the known record of the industry, aircraft stocks are not attractive. But it would be unwise to dismiss them so lightly, for developments that have taken place over the last two years warrant a close consideration of their investment merits.

The industry has taken on new importance for several reasons. In the first place it is on a more soundly organized basis than ever before; it has come of age. Secondly, the Canadian Government has undertaken an extensive programme for the expansion of the R.C.A.F. Thirdly, the British Government, through the Canadian Associated Aircraft has placed an important contract for aircraft and the prospects are that if the initial contract is handled satisfactorily, Canada will develop into an important source of supply. Lastly, is the very wide interest in the aviation industry among Canadians as a result of the formation of the Trans-Canada Air Lines and the growth in air traffic.

The business available and in prospect for the manufacturing companies in this country has reached important proportions. And having in mind the record of the manufacturing companies in the United States and Britain, investors are evincing considerable interest in Canadian aircraft stocks.

The aircraft investment field in this country is divided into two groups. In the first group are companies which are engaged in other lines of activity. They are, in the main, important factors in the aircraft industry, but their principal business is not necessarily the manufacture of aircraft. The second group comprises the companies which are purely aircraft manufacturers.

In considering the investment merits of these companies, which are reviewed more extensively in the material following, it is well to bear in mind that the merits of the first group are influenced very largely by activities other than aircraft. Thus National Steel Car and Canadian Car, for example, are the two most important units in the railway equipment field. It is possible for them to show substantial earnings entirely independent of the aircraft field. The aircraft activities of this group are a "second string" which some day may be very important profit makers. Thus it is possible for an investor to buy into one of these companies and, at the same time, participate in the potential profit-making possibilities of the aircraft industry.

The second group are purely aircraft manufacturers. They have no outside activities and their earning power is dependent upon their success in securing new aircraft orders. The majority, to date, have not been able to show anything more than a very moderate earning power; in fact, deficits are as common as profits. However, it should be remembered that many of these companies have only just come through the formative period and are now working into a position where they can establish earnings on an adequate scale if the business is forthcoming.

Associated Aircraft

Canadian Associated Aircraft Ltd. is reported to be making satisfactory progress in connection with the initial order obtained from the British Government.

For some months now the management has been engaged in ironing out various details. Preliminary work is virtually complete and orders have been placed for various component parts with each of the six firms associated in the enterprise.

While production of parts by the interested companies has commenced there will be no planes ready for delivery until sometime next year. In view of this there is no need for Canadian Associated Aircraft Co. to rush construction of its assembly plants at Malton and St. Hubert.

Six Firms Participate

Canadian Associated Aircraft came into being last year as a result of a survey made of Canadian aircraft plants by a British Air Mission. Six Canadian aircraft manufacturing concerns participated in the formation of the company with which an order for planes has been placed by the British Government. The six firms participating in the enterprise are Canadian Vickers, National Steel Car, Canadian Car & Foundry, Fleet Aircraft, Fairchild Aircraft and Ottawa Car Manufacturing Co.

Companies participating in the enterprise will benefit in two ways. They will make a profit on business placed with them by Canadian Associated Aircraft and also obtain a return on the capital they invest in the latter company. It is understood, however, that the profit margin is not large.

Canadian Vickers

Prospects are aircraft manufacturing will become an increasingly important division of activities of Canadian Vickers Ltd. Not only has the aircraft division been kept in capacity production during the past year as a result of orders secured from the Canadian Government, but it is one of the firms participating in the British business obtained by Canadian Associated Aircraft Ltd.

Canadian Vickers has been engaged in aircraft manufacture since 1923, but this division was anything but active during the depression years. Recently, however, there has been material improvement as a result of orders obtained from the Canadian Government. During the past two years the company has delivered a number of "Stranraer" flying boats and Northrop "Deltas" to the Canadian Government.

Rights to make and sell Northrop aircraft in Canada are held by Canadian Vickers. In addition, the company owns 25% of the common stock of Aero Engines of Canada which owns Canadian rights to the Wright and Jupiter engines.

In order to take care of the manufacture of parts for Canadian Associated Aircraft, Canadian Vickers has prepared its former shell shop for aircraft production. This plant has not been used for a number of years. Actual production in connection with the British order has not commenced, but is scheduled to start shortly.

Aircraft manufacturing is only a minor division of the company's activities. It also operates a floating dry dock and shipbuilding and repairing plants at Montreal, and manufactures industrial and mining machinery, structural steel and kindred products.

A loss has been reported by the company in every year since 1931. In the year ended Feb. 28 last it had a net loss of $79,598, compared with $47,531 in the previous year.

Outstanding capital consists of $2,506,000 of first mortgage bonds, $2 millions of 7% preferred stock and 53,000 shares of common stock.

National Steel Car

One of the newest members of Canada's aircraft manufacturing family is the National Steel Car Co., which is mainly interested in the manufacture of railway equipment such as passenger and freight cars.

Early last year the company obtained Canadian rights to manufacture Westland Lysander army co-operation aircraft, under license agreement with Westland Lysander Aircraft Ltd., of Yeovil, Eng. This was followed by the erection of a new aircraft plant at Malton, Ont., and an order from the Canadian Government.

Work on the company's order from the Canadian Government for 28 Westland Lysander planes is proceeding satisfactorily. The first plane is virtually complete, and air tests will be made shortly.

Production on parts to be supplied to the Canadian Associated Aircraft is not under way as yet, but will commence in the near future. In order to take care of this business the company is at present expanding its aircraft facilities at Malton.

By the end of the current year the company will have approximately $1.5 million invested in its aircraft division. The investment at Malton amounts to about $1¼ millions. In addition, the company has subscribed for $166,666 of stock of Canadian Associated Aircraft.

Large earnings from the aircraft division are not expected in the immediate future. In fact, it is not likely the aircraft division contributed anything in the year ended June 30.

While prospects for the aircraft division appear to be good it will not replace railway equipment manufacturing as the most important activity of the company. One reason for entry of the company into aircraft manufacturing is a desire for greater diversification.

It is well known that earnings of railway equipment companies fluctuate widely. The depression years were lean ones for National Steel Car, deficits being reported for the years 1933 to 1935 inclusive. Since then there has been material improvement and profits in the year ended June 30, 1938, reached the highest level in the company's history. Net profit for the year amounted to $1,206,124, equivalent to $9.28 a share on the 130,000 shares of common stock outstanding. However, R. J. Magor, president, states a more accurate view of results is obtained by averaging profits for 1936-37 and 1937-38. Average earnings for these two years were $5.26 a share.

Earnings for the year ended June 30 will not be as large as in 1937-38. Volume of railway business has been substantially lower this year. However, satisfactory results are expected.

Canadian Car

Canadian Car & Foundry Co. is mainly interested in the railway equipment business, but it entered the aircraft manufacturing field in 1936. At that time it acquired rights for the manufacture and sale in any country of the world, except United States, of the "Grumman" plane from the Grumman Aircraft Engineering Corp.

It also holds Canadian manufacturing rights for Brunelli aircraft. In addition, it has developed a plane of its own known as the "Gregor."

Since 1936 there has been marked expansion in the company's aircraft division. The Fort William plant has been converted into an aircraft plant and aircraft operations are also carried on at Montreal

During 1937 and 1938 the company made a number of planes at its Fort William plant for foreign governments. It also has a managerial contract with the Mexican Government for the manufacture of aircraft in the Government's factory in Mexico City

Without doubt, Canadian Car has a considerable investment in its aircraft division, but details are lacking. In a recent statement, L. A. Peto, vice-president and general manager, stated the division "has made excellent progress and is steadily working through a development phase that must be completed before large earnings therefrom can be effected.

At the moment the company has on hand 11 Grumman two-seater fighting planes complete with engine which were built last winter. It has five others ready for installation of engines. Sale of these planes has yet to be effected, but the company hopes to dispose of them in the near future.

In addition to participating in a British Government order through Canadian Associated Aircraft, Canadian Car has a separate order from the British Government for its Fort William plant.

While aircraft manufacturing may become an important activity of the company in the future it will continue to be mainly interested in railway equipment. In addition it produces a wide range of specialties and steel and malleable castings.

Like all railway equipment companies Canadian Car suffered lean years during the depression. In recent years, however, there has been considerable improvement. In the year ended Sept. 30, 1938, had a net profit of $1,177,314, compared with $1,143,413 in 1936-37 and $7,685 in 1935-36. Net profit in 1937-38 was equivalent to $4.16 a share on the company's preference stock and $1.81 a share on the common stock.

Earnings this year will be substantially lower. Volume of equipment business has been disappointing. One result of this has been deferment of the preference dividend due July 15. Arrears of preference dividends will total $6.94 a share on that date.

Fleet Aircraft

Fleet Aircraft Ltd. reported material improvement in business and earnings in 1938. Sales for the year approximated $950,000, a total of 130 units being sold. In 1937, sales amounted to $613,113, when 63 planes were sold.

Net profit in 1938, after all charges was $66,742, compared with $2,398 in 1937. This is equivalent to 74 cents a share on the 90,000 shares of common stock outstanding. The company has no preference stock or mortgage indebtedness.

During the past three years there has been steady improvement in business and expansion of plant capacity. Capacity is now several times larger than a few years ago. For the current year the outlook is satisfactory. Work has already commenced on fuselages for planes to be assembled by Canadian Associated Aircraft Ltd. for the British Government.

Further orders are anticipated from the British Government through Canadian Associated Aircraft.

The company holds manufacturing and sales rights for Fleet and Waco aircraft. On Fleet Aircraft the company holds rights for all countries of the world except United States, China and Roumania. The engineering experience and facilities of Consolidated Aircraft Corp. are available to the company.

Fairchild Aircraft

Orders from the Canadian and British Governments have materially improved the outlook for Fairchild Aircraft, one of the few companies in Canada engaged solely in the manufacture of aircraft.

The company's plant at Longueuil, Que., near Montreal, is at present operating at capacity, 600 men being employed. Major production activity is in connection with the Canadian Government order for 18 twin-engined modified Bristol "Blenheim" bombers. The first of these is expected to be ready for tests within six or eight weeks. Contract for these planes is on a "cost plus" basis and involves about $1.5 million.

Important business for the company has been the 13 Lockheed super "Electra" 14-passenger planes delivered to the Trans-Canada Air Lines. Five additional planes of this type are on order. These planes are manufactured in United States, but Fairchild Aircraft receives a commission as it holds Canadian rights.

Details of results for the year ended June 30 are not available as yet. Expectations are the company will report considerable improvement in earnings. It is likely, however, that a larger profit from the contract for Bristol bombers will be included in the current year.

Ottawa Car

Ottawa Car Manufacturing Co., which is one of the oldest aircraft manufacturing companies in Canada, is sole Canadian manufacturing and selling agent for the aircraft products of Armstrong Siddeley Motors Ltd., Sir W. G. Armstrong Whitworth Aircraft Ltd. and A. V. Roe & Co.

Outlook for the aircraft division of the company has recorded materials improvement as a result of the large purchases of planes being made by the British and Canadian Governments. Reconditioning of aircraft is also an important phase of the company's aircraft division. A short time ago it secured a contract to supply the Department of National Defense with spare parts for Atlas and Avro aircraft.

During the past year the aircraft division has been reasonably busy, but details as to volume are not available. Recently the company commenced work on parts ordered by the Canadian Associated Aircraft for planes which are to be built for the British Government. Work on this order will continue throughout the present year and 1940.

Aircraft manufacturing is not the principal activity of the company. It makes a wide range of products,

(Continued on page 11)

Designers and Builders of Aircraft
since 1929

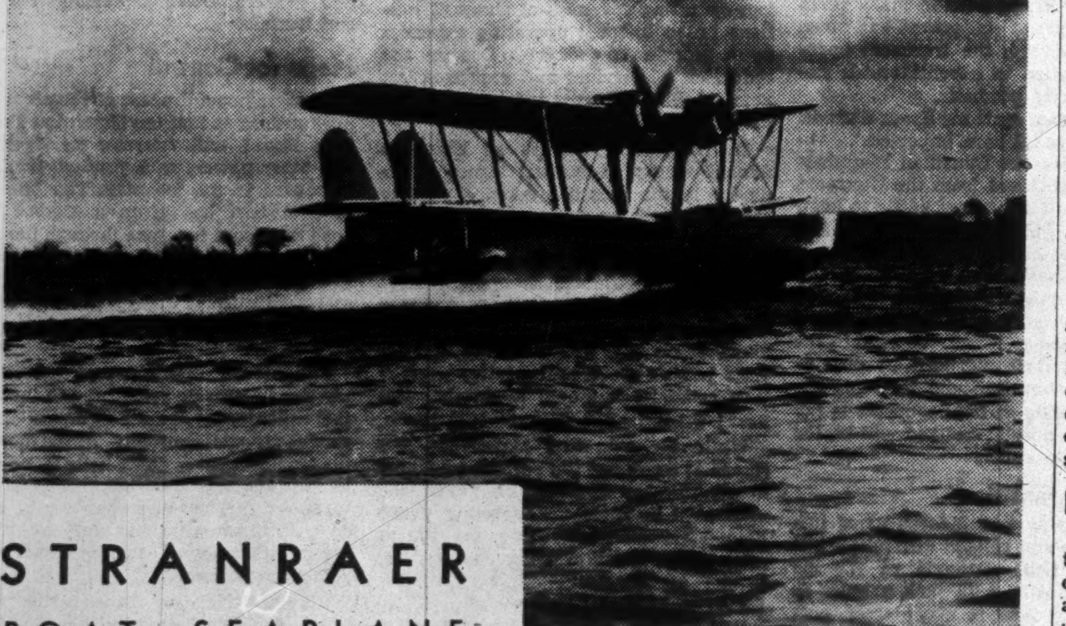
Contractors to
The Department of National Defence

Representing Lockheed Aircraft Corporation.
Licensees of the Bristol Aeroplane Company Limited

FAIRCHILD AIRCRAFT
LIMITED
Factory — Flying Field — Sea Plane Base
LONGUEUIL (MONTREAL) CANADA

CANADIAN VICKERS LIMITED

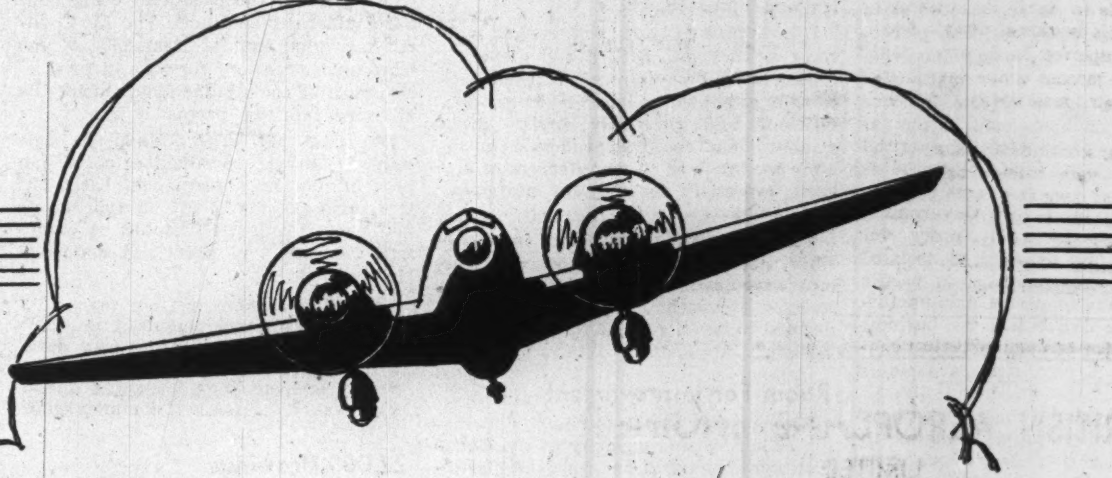
AIRCRAFT CONSTRUCTORS



STRANRAER
BOAT SEAPLANE
for deep sea reconnaissance duties

DESIGNED BY VICKERS-ARMSTRONG LIMITED (SOUTHAMPTON WORKS) AND COMPLETELY CONSTRUCTED IN CANADA FOR THE ROYAL CANADIAN AIR FORCE BY CANADIAN VICKERS LIMITED

CANADIAN VICKERS LIMITED
HEAD OFFICE: MONTREAL
NEW GLASGOW WINNIPEG
EDMONTON DRUMHELLER VANCOUVER



IN THE FRONT RANK of the CANADIAN AVIATION INDUSTRY

THE Canadian Car and Foundry Company Limited is a self-contained manufacturing unit having, through the ramifications of their plants throughout Canada, complete facilities for the fabrication of aircraft and engines from the drawing board stage to the finished product. They are, therefore, independent of outside sources of supply and the consequent possibilities of breakdowns in delivery schedule.

The huge Fort William Plant of the Company is ideally situated for quick shipments, either to the Atlantic, or the Pacific coast. It has 500,000 square feet of uninterrupted floor space; a 90 acre proving ground for land planes, and close proximity to Lake Superior, where flying boats of all types can be tested under practical conditions.

The Canadian Car & Foundry Company Limited have, during recent months, exported the largest individual order of military aircraft ever undertaken in Canada. They have at present under construction a large quantity of HAWKER HURRICANE Pursuit Planes for the British Air Ministry.

Within the past year, the Company has designed and built the first military aircraft ever produced within the environs of the British Empire, outside of the United Kingdom itself. This aircraft, known as the Single Seat Fighter FDB-1, has exceeded in performance all contemporaries of its class. A propeller plant has been established, which will manufacture propellers for Canada and the export market. The Company has, in addition, built the only radial aircraft engine, which is especially adaptable to primary training planes, ever completely constructed in the Dominion of Canada.

As a Member Company of the Canadian Associated Aircraft Limited, the Aircraft Annex to their Turcot Plant and the Aeronautical Division of the Point St. Charles Plant are contributing to the supply of Handley-Page HAMPDEN Bombers to the Imperial Government.

CANADIAN CAR & FOUNDRY CO. Limited
621 CRAIG ST. WEST MONTREAL, CANADA.

Trans-Canada Opens New Era in Transport

Steady Traffic Increase Reported Since National Line Established

The award of the McKee Trophy to the operating personnel of the Trans-Canada Air Lines for "meritorious service in the advancement of Canadian aviation during 1938" is a dramatic recognition of the new transportation system's vital contribution to the life of the Dominion. Another recognition, less dramatic, but even more important, is the response of the shipping and travelling public as a whole. Every succeeding month shows increases in the volume of mail, express and passenger traffic.

In the report for May just presented to the Department of Transport by Philip G. Johnson, vice-president of the T.C.A., an increase of 17% in ticket sales is shown. "The increase," says the report, "is gratifying as it indicates a growing appreciation of the facilities offered, particularly by businessmen to whom the saving of time is important." Passenger service between Montreal, Ottawa, Toronto and Vancouver and between Lethbridge, Calgary and Edmonton, has been available only since the first of April.

May Records Gain

Air express traffic in May showed a 50% increase over April, which had recorded an improvement of 50% over March.

During May, a total of 40,391 pounds of mail was carried by Trans-Canada planes, as compared with 34,697 pounds in April, an increase of 5,694. This is almost double the amount transported in January. In the first five months of the year, the aggregate air mail was 153,154 pounds.

On the transcontinental route, 15,500 pounds were carried in May, westbound, as compared with 12,424 in April, an increase of 3,076 pounds. This is regarded as particularly gratifying as the West has been apparently more air-minded than the East. Eastbound mail continues to show a greater volume than that going in the other direction. In May it amounted to 17,396 pounds, an increase over April of 1,494 pounds.

In June, a new Lockheed 14H or Super Electra was placed in service between Vancouver and Seattle. Since this service began in Sept., 1937, the first of T.C.A.'s regular passenger and mail operations, Electras have been used.

Will Standardize Equipment

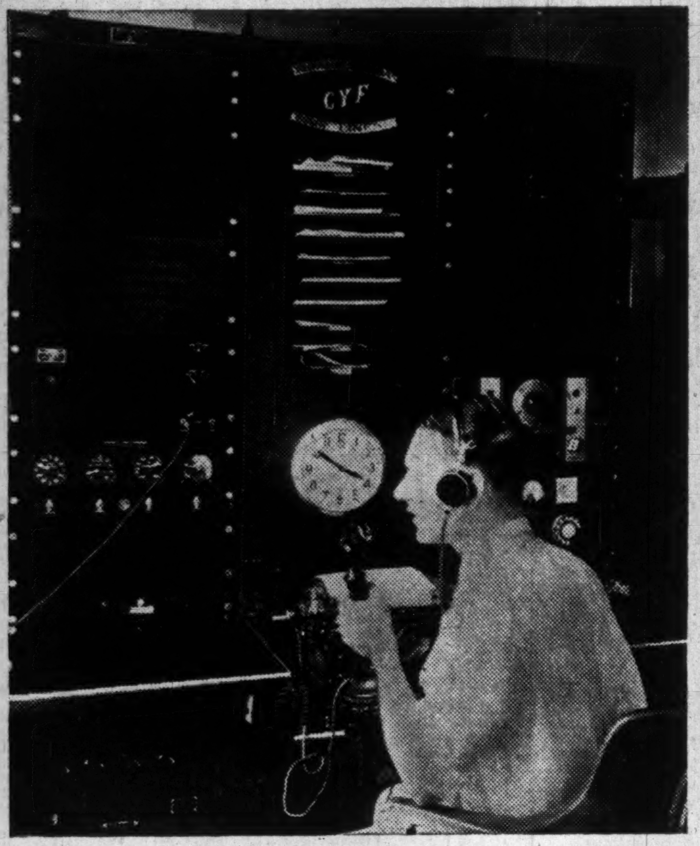
The air lines fleet of five Electras will be disposed of and with the delivery of five new aircraft, the Trans-Canada fleet will consist entirely of Super Electras, making for standardization of operation and maintenance throughout the system. Orders for the new equipment were placed in May and deliveries will be made in July and August.

The 14H planes are all-metal, with twin engines generating 1,170 horsepower and an average speed of more than three miles a minute. They have accommodation for 10 passengers and their cargo compartments are capable of carrying 2,800 pounds. Fuel capacity is over 500 gallons. Each plane is manned by two pilots, a captain and a first officer and a stewardess (who is a registered nurse), is on board to serve meals and in other ways cater to the comfort of the passengers. The aircraft are, of course, operated on the radio beam and have the most modern aeronautical instruments.

Co-operate With C.N.R.

Trans-Canada Air Lines has a total of 467 employees, including 62 flight personnel; 235 maintenance and overhaul and 86 in communications. Several services, such as legal, secretarial and treasury, medical, architecture and publicity and advertising are provided by staffs of the Canadian National Railways.

The airway over which the T.C.A. planes fly on their regular schedule is the responsibility of the Department of Transport. It consists of a chain of airports, emergency fields and radio ranges. A number of airports are municipally owned and operated. The Department of Transport provided the vital meteorological service which operates 24 hours a day seven days a week.


Control panel at a Trans-Canada airport.

Last year was one largely of organization and development. The training flights in western Canada, with an occasional trip across the mountains, developed into a regularly operated schedule between Montreal and Vancouver with a connecting schedule from Lethbridge to Edmonton.

A year ago last March mail service was inaugurated between Winnipeg and Vancouver. Later this was extended to cover the important eastern cities. In September air express was established and in April this year passenger service commenced.

Nearly $3.5 Millions Invested

At the end of the year Trans-Canada Air Lines represented an investment of over $3.4 millions. The gross value of property and equipment stood at $2,779,314. The balance represented working capital items.

The capital subscribed for T.C.A. amounts to $5 millions, of which $1.8 million was uncalled at the end of the year. Another $500,000 will be called in 1939, while the balance will be used to cover the line's participation in the transatlantic service.

For the first year of operations T.C.A. reported a loss of $818,025, in line with expectations, and covered by a subsidy of the Dominion Government.

The operating expenses for last year include, in addition to the operating costs of revenue producing services, all expenses in connection with the development of new services and the training of personnel.

Work to the East

Work is now going forward in the construction of landing fields and radio range stations east of Montreal with a view to extending T.C.A. service to Moncton, its eastern terminus. Severe weather last winter and a late spring caused delays in field work, but it is hoped to inaugurate scheduled service this year.

Give Fast Service

Including stops the elapsed time on flights between Montreal and Vancouver is 17 hours and 35 minutes. After a full day's business and dinner at home, passengers leave Montreal, Ottawa and Toronto in the evening, getting in Winnipeg at 4.50 the following morning, Regina 6.15, Lethbridge at 8.50 and in Vancouver at 11.05 a.m., in plenty of time for lunch. Tail winds make the eastbound trip about two hours shorter.

Connections are made at Vancouver with Canadian Airways planes to and from Victoria, at Regina for Prairie Airways service to Moose Jaw, Saskatoon, Prince Albert and North Battleford. There are connections, too, with United States lines and with lines to the northern areas of Canada. When the eastern extension is completed, Moncton will be joined to Halifax, Saint John, Charlottetown and other Maritime centres.

When the Imperial Airways inaugurates its North Atlantic service, the T.C.A. will become an integral part of the great chain of Empire air communications and the farthest removed Canadian communities will be closer to London by many days.

Investment in Aircraft

(Continued from page 10)

including equipment for railway and tramway passenger cars. It also operates a brass, bronze and aluminum foundry and machine shop. In addition the company also has an armament division which has been maintained at great expense for many years. It is now available to fill any needs due to present unsettled world conditions.

The company enjoys a sound financial position and a simple capital structure.

de Havilland

de Havilland Aircraft of Canada is controlled by the company of the same name in Great Britain. The company makes a well-known line of aircraft, ranging from light two-seater planes to twin engine models with accommodation for five to eight passengers and luggage. Its customers have included private individuals, flying clubs, the R.C.A.F. and R.A.F. Profits for the current year will benefit from an order for 200 sets of Tiger Moth parts, received from the British Air ministry through the parent company in 1938. Currently it is understood that operations have been curtailed because of lack of new orders.

Earnings showed a sharp jump in the year ended Sept. 30, 1938, to $11.18 a share as compared with $1.40 in the preceding period. Dividends on the preferred stock were $64.25 a share in arrears as at Dec. 15, 1938, no payments having been made since 1931. The company has been considering a capital reorganization to eliminate these arrears and raise additional capital but a definite plan has not yet been worked out.

Cub Aircraft

Cub Aircraft Corp. manufactures training and commercial airplanes and maintains a training school at the municipal airport at Hamilton, Ont.

Since the company started operations in July, 1936, over 60 Cub planes have been delivered in Canada.

For the six months ended Feb. 28, 1939, net operating profit was $2,611 after depreciation. Sales were $26,744. Company has outstanding 443 shares of preferred stock and 71,500 common stock.

Noorduyn Aviation

Noorduyn Aviation Ltd. is a youthful member of Canada's aircraft manufacturing family, having been formed last year for the purpose of acquiring as a going concern the assets and business of Noorduyn Aircraft Ltd.

The company holds sole manufacturing and selling rights in Canada for military types of planes manufactured by North American Aviation Inc. of California. Last year the British Government ordered 200 training planes from this firm. It is hoped the Canadian firm will participate in future orders.

Manufacturing is at present carried on in a plant at Cartierville, Que., which is leased from Montreal Aircraft Industries. Late last year the company leased another plant at Longue Pointe, Que., near Montreal. As soon as business permits, manufacturing is to be concentrated at the latter plant which has a floor space of 78,000 sq. ft.

Authorized capital of the company is 200,000 common shares of which 83,500 shares have been issued. Of the issued capital 10,000 shares were sold last fall to Holt, Rankin & Child, Montreal brokers, for $10,000, and 30,000 shares for $150,000 to a syndicate composed of Holt, Rankin & Child, Gairdner & Co. and Canadian Alliance Corp. These shares were offered publicly in November last at $6 a share.

Montreal Aircraft

Montreal Aircraft Industries Ltd. is at present inactive in so far as manufacturing operations are concerned, but it owns a large plant at St. Laurent, Que., capable of getting into production on military and commercial planes on short notice.

The concern was launched in 1927 as the Reid Aircraft Co. to produce all-metal light aircraft. It was purchased by Curtiss Reid Aircraft in 1928 and continued airplane manufacture under this name until 1932 when it was reorganized and the present company formed.

Transport Companies Reviewed

Mackenzie Air Services

Mackenzie Air Service Ltd., operates 10 airplanes for the transportation of passengers and supplies, with base at Edmonton. Other planes are leased to meet seasonal demands. The area served includes the mining districts of Lake Athabasca, Great Slave Lake, and Great Bear Lake and the Mackenzie River basin. The company holds an air mail contract providing a service from Edmonton to Fort Norman and Aklavik to Port Radium and to Yellowknife.

Net profits in 1938 were equivalent to 11.5 cents a share on the 301,376 common shares outstanding. This is an increase from the 7½ cents a share in 1937 and compares with nine cents a share in 1936. No dividends have ever been paid.

Like other commercial air transport companies, Mackenzie Air Services has been largely dependent in the past on mining exploration and related activities in the remote and inaccessible areas which it serves This work has suffered from lack of new capital investment in the past year or so with a consequent decline in business of the air transport companies. When this condition is removed, there seems no reason to fear that this company will not be able to increase its activity.

Wings Ltd.

Wings Ltd. operates a commercial air transport system with bases at Winnipeg, God's Lake, and other points in Manitoba and northwestern Ontario. The company has a mail contract in this area. It operates 10 passenger and transport aircraft and six radio stations.

During 1938 the company carried 6,006 passengers, 2,332,884 lb. of freight and express, 89,636 lb. of mail. It made 10,228 flights and covered 625,909 miles.

In the year ended May 31, 1938, the company reported a deficit equivalent to 15 cents a share on the common stock as compared with net profits of 31 cents a share in the preceding year.

Prospects for future growth of the company are tied in with development of the mining and other resources of the area in which it operates. Although activity of this nature has been restricted over the past year, it is felt that prospects for future growth are excellent.

Canadian Airways Ltd.

Canadian Airways Ltd. is the largest private operator of aircraft in Canada. The company does all classes of aerial service, owns airfield properties at Toronto and Quebec, maintenance base at Winnipeg and sundry buildings throughout Canada. It operates 40 aircraft and 15 radio stations.

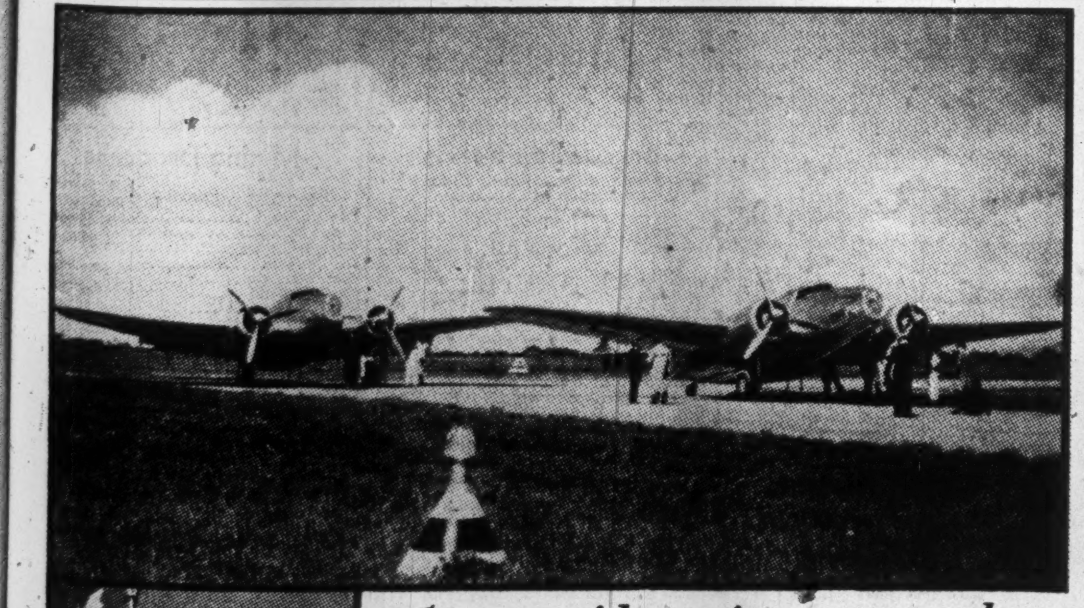
A subsidiary, Quebec Airways Limited, operates along the north shore of the St. Lawrence River.

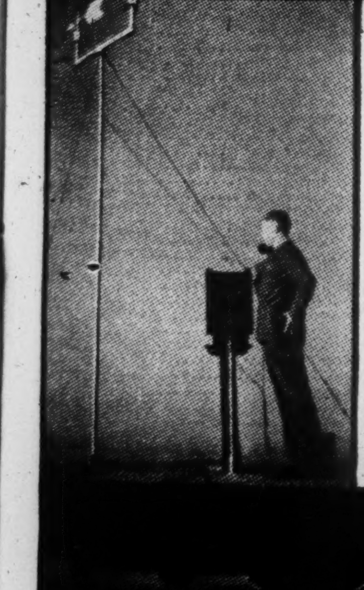
While mileage flown in 1938 at 1.9 million miles was not materially below the 2.1 millions for 1937 and 1936, both mail, and freight and express, transported showed a much sharper decline.

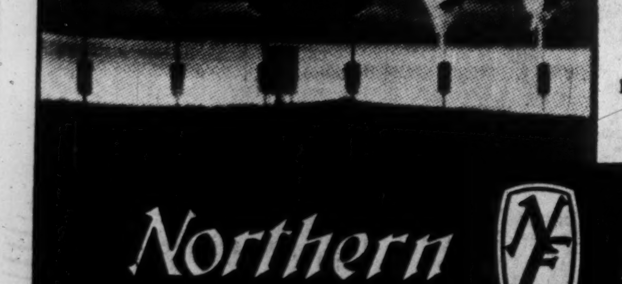
The deficit for 1938 was $213,501, after depreciation and other charges. This compared with $30,433 in 1937 and $95,393 for 1936. In the two preceding years, the company reported a net operating profit, but a loss of $95,978 was shown in 1938.

BRITISH AEROPLANE ENGINES
LIMITED

Exclusive Agents in Canada
for
Bristol Aeroplane Engines
ASSEMBLING OVERHAULS
GENERAL SERVICE
at
6259 Notre Dame St. East
HEAD OFFICE 248 McCord St. MONTREAL







Contributing to the
SAFETY of
AIR TRAVEL
RADIO COMMUNICATION EQUIPMENT . . .
. . . aircraft and ground stations
RADIO COMPASS AND NAVIGATION AIDS
RADIO RANGE TRANSMITTERS
WEATHER INDICATING EQUIPMENT
LIGHTING . . . All forms of Airport and Directional Lighting

ABOVE: Planes of Trans-Canada Air Lines—an important link in Empire Travel.

ABOVE LEFT: Emergency Equipment at a Western coast airport to ensure safe landing in zero-zero conditions, a feature of a well-equipped airport.

LEFT: Night view of typical airport flood-lighting.

11-905

Northern Electric COMPANY LIMITED
A NATIONAL ELECTRICAL SERVICE

PROFITABLE MANUFACTURERS

FLEET PRODUCTS
KNOWN THE WORLD OVER

SUCCESSFUL AIRCRAFT

Since 1930

FLEET AIRCRAFT LIMITED
FORT ERIE — ONTARIO

PLANT OF AIRCRAFT DIVISION RECENTLY ERECTED AND OPERATING AT MALTON

Established on 107 acres of land adjoining new Toronto Air Terminal at Malton, Ont.

Factory fully equipped for production of the most modern type Aircraft.

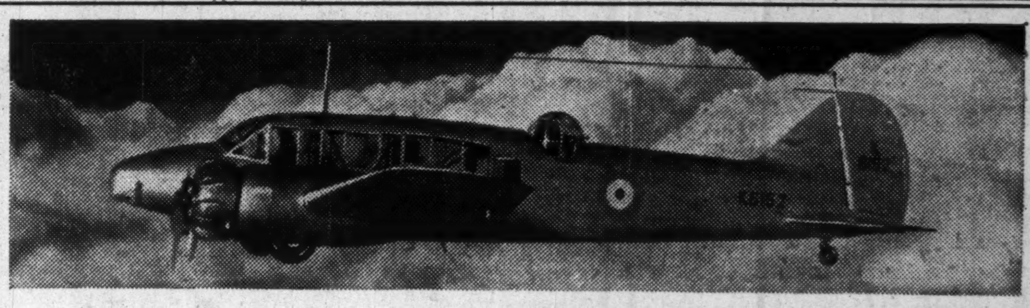
Present Plant offers 65,000 square feet of floor space. New addition now under construction will be in operation during July, 1939, and will occupy 80,000 square feet, bringing the total working area to 145,000 square feet.

Hydraulic Presses, Machining Equipment and facilities for fitting, welding, wood-working, heat-treating large sheets of aluminum alloys and small steel sections, anodizing and electro-plating, etc., are provided.

Painting and doping confined to separate and adjoining building. Power Plant and Pump House provide heating, lighting, compressed air facilities and pressure for Sprinkler System, making this factory the most modern of its kind in Canada.

* * *

NATIONAL STEEL CAR CORPORATION LIMITED
AIRCRAFT DIVISION
Malton, Ontario.
Head Office: Kenilworth Ave., Hamilton, Ont.
Sales Office: 437 St. James St. W., Montreal, Que.



THE AVRO ANSON

Sole Manufacturing and Selling Rights in the Dominion of Canada for

A. V. Roe and Co. Limited

Armstrong-Siddeley Motors Limited

Sir W. G. Armstrong Whitworth Aircraft Limited

Pioneers since 1925 in the Canadian aircraft industry.

Now engaged jointly with five other selected companies in the manufacture of large bombers for the British Government. Floor area 250,000 square feet.

Large modern machine shop.

Modern foundry producing castings of aluminum, brass and bronze alloys.

OTTAWA CAR MANUFACTURING
COMPANY LIMITED
OTTAWA, CANADA

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JUNE 26

The Week's Quotations

Unlisted Stocks

June 27, 1939

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., p.	13	14
Andian National	32½	34
Anglo C. Tel., A	8½	9
Barrymore, pfd.	20	..
B. C. Pulp, c. ..	6	7½
Do., pfd.	18	..
B. C. Sugar	80½	82½
Burns & Co., A .	2½	3½
Do., B	1	1½
Canada Tea, pf.	21	25
Can. Co-op. W'l.	7½	..
Can. G'drich, c.	1½	..
C. I. L., A c. ...	206½	..
Can. Ing. Rand .	125	129
Can. Tube, 1st p.	47	..
Chase, A. W., p.	26	27
Claude Neon, p.	7½	8½
Cons. Sales, B p.	..	80
Cope. Flour Unit	6½	7½
Dom. Wool's., p.	½	¾
Dunlop Tire, p.	22½	23
Easy Washing, p.	..	8½
Fed. Grain, pfd.	21	22½
Do., com.	½	1
Goderich Elev. .	5½	6½
Guard. Realty, p.	17	19
Guelph Carp., p.	101	102½
Do., com.	10	11
Hayes Steel, c. .	10	..
Do., pfd.	9½	10
Hi'land Dairy, p.	73½	..
Do., com.	2½	..
Kingston Sh. Un.	11	12
Loblaw Inc., c..	10¾	10½
Morrison Br., pf.	3	4
M'row Screw, p.	96½	100
Neilson, Wm., c.	9	..
Do., pfd.	100	..
N. B. Tel., c. ...	12½	13
N. Meth. Ldy., p.	42	45

	Bid	Ask.
Niag. L. Arch Br., com.	..	64
Ont. Tob., pfd. .	19½	22
Paterson, W., p.	101	104
Prov. Paper, pfd.	101½	103½
Reliance Gr., pf.	32	34
Robertson, pfd. .	87	..
Rob. Cons. Cone	9	9½
Ruddy, E. L., p.	29	32
Seal O Sac (Can)	4½	5
Stand. Fuel, c. .	2	2½
Do., pref.	43	..
Stedman Br., pf.	57	59
Tor. Carpet, c. .	18	22
Do., pfd.	54	56
Un. F. Co-op. ..	2½	2½
Un. Steel, A pf.	20½	21½
Viceroy Mfg., pfd. & rts. ..	23	24
West. Grain, pf.	3½	4½
West. Steel, c. ..	6	7
Weston Hold. ..	6	..
Trusts & Loan Stocks:		
Brit. Mtge.	152	154
Com. Fin., c. ..	2½	3
Guaranty Tr. c.	96	..
Guelph & C., $50	52	54½
Lambton Loan .	32	35
London & West.	43	45
Sherbrooke Tr. .	120	..
Sterling Trust ..	51½	60
Traders Fin., B c.	12	13½
Do., A pfd. ..	77	79
Trusts & Guar. .	27	28½
Waterloo Trust .	99	..
Insurance Stocks:		
Canada Life ...	483	490
Confed., 30% pd.	153	156
Crown, fully pd.	260	..
Dominion Fire .	135	..
D. of Can. Gen.	120	..

	Bid	Ask.
Empire, 25% pd.	8	9
Excelsior Life ..	62	65
Federal, 25% pd.	30	35
Great.West Life	240	255
Halifax Fire ...	22½	23½
Imperial Life ..	300	315
Manufac. Life ..	245	250
Monarch, 10% pd	23	24½
Sov. L., 25% pd.	12	14
Sun Life	400	415
Tor. General ..	5½	6
Western Assce. .	40½	31
Theatre Stocks:		
Allens, Kingston, pfd.	61	66
Do., London, p.	52½	60
Do., St. Catharines, p. ...	54	56½
Do., Tor., p., c.	33½	36
Loew's, Lond., p.	3½	3½
Mansf. Theat., p.	31	..
Midland Prop., p.	4	..
Para., Kitchener, p.	83	..
Do., Oshawa, c.	11	..
Investment Trust Shares:		
Can. Invest. Fd.	3½	4½
Can. Investors ..	6½	7
Deb. & Sec., pf.	65	..
Inv. Found. Unit	55	57
Sec's. Hold., pf.	17½	19
United Corp., A	22½	24
Do., B	6	7½
Power Issues:		
Can. W. N. Gas .	27	..
Do., pfd.	99½	101½
Int. Util., 1.75 p.	18	19½
Do., 3.50 pfd. .	35	37
Gt. Lakes Pr., p.	101	103
Mtl. Is. Pwr., p.	21	..
Nor. Ont. Pr., p.	97	98½

Unlisted Mines

June 27, 1939

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Addingt	.04½	.04¾	E Rouyn	..	.15	Lw Pete	.37	.41	Propri'y	1.75	1.85
Albany R	.17	.19	Elmos	.20	.23	Lucky K	.01	.01½	Presdor	.02¾	.03
Amorada	.01½	.02½	Flavrian	.01½	.02	Magnet L	.11	.13	Que Man	.08½	.10
Anoki	.09½	.10½	Faulken'	.01½	.02½	Magnet C	.55	.58	Que Vik	.01½	.01¾
Arjon	.02½	.03½	Fontana	.04	.06	Martin B	.20	.23	Rand Ml	.21	.22
Armistice	.01¾	.02	Frontier	.04	.06	Martin M	.02	.04	Red LGS	.01½	.02
Argosy	.02½	.03½	Gate Pat	.01¾	.02½	Mata Can	.05	.06	Rhyolite	.03½	.04
Arno	.02½	.03	Goldside	.00¾	.01½	Melba	.04½	.05½	Rose Gld	.05½	.06½
Athona	.04	.04¾	Golden G	.13	.15	Mof Hal n	.02½	.03½	Rouyn Re	.01¾	.02½
Area	.05½	.05¾	Gordon L	.01½	.02	McGregor	..	.03½	Sachigo	7.25	8.00
Barb Lar	.03¾	.04½	Gorham	.03	.04	McV Kir	.01½	.01¾	Senator	.40	.43
Beresford	.14	.16	Hallnor	8.30	8.65	Monarch	.01½	.01¾	Shenango	.13	.14
Big Mastr	.03	.03¾	Hia'atha	1.22	1.27	Mosher	.14	.16	Sheldon	.06	.07
Bilmac	.02½	.03½	Hislop	.02½	.03	Mooshla	.07½	.08½	Siscoe Ex	.02	.02½
Calder Bo	.04½	.04¾	Hoyle (new)	.38	.40	Mylamaq	.04	.05	Skynner	.07	.08½
Camlaren	.02¾	.03½	Hugh PP	.07	.08	Nickel O	..	.80	Smelter	.03¾	.04
Capital R	.02	.02½	Hutch Lk	.04½	.05½	Norlake	.01	.01¾	Spooner	.07	.08
Carinor	.15	.18	Jason	.28	.31	Norbeau	.50	.55	Sun Bear	.00¾	.01½
Central	.03½	.03¾	Jodello	.11	.13	Negus	.65	.75	Sunbeam	.11	.14
Cheminis	.05½	.06	Kelroyve	.29	.31	New Aug	.22	.24	Surf Inl	.20	.23
Coin Lke	.03¾	.04½	Keora	.04¾	.05½	Nat Mal	.15	.18	Springer	.11	.13
Crescent	.04	.04½	Kaw Cro	.02	.02½	Oklend	.08	.09	Thomp L	.19	.21
Crowsh	.08	.10	Kenricia	.23	.26	O'Leary	.02½	.03	Tonawa'a	.01½	.01¾
Cochen'r	.46	.48	Kewagam	.03½	.04½	Opemiska	.06	.09	Union M	.04½	.05½
Con Kirk	.10	.11	Kiena	.18	.20	Oriole	.02	.02½	Up Can	.69	.71
Dawson	.01½	.02	Kir Vit	.01	.01½	Orpit	.07	.08	Walker P	.03	.04
Dayton	.05¾	.07½	Kir Gatewy (new)	.02½	..	Ossian	.03	.03½	Wesley	.06	.07
Delnite	.87	.92	Kir Hunt	.01	.01½	Pascalis	.37	.40	Wells LL	.13	.18
Desants n	.22	.24	Lacoma	.01¾	.02½	Payore	.01¾	.02	Westside	.00¾	.01½
Dona Pat	.23	.25	Lake Duf	.37	.40	Porc Lk	.08	.09½	Westwd	.04	.04½
Devon	.09	.11	L Geneva	.08	.11	Planet	.03	.03½	Wh Horse	.01	.02
Donwood	.18½	.21	Lk Rose	.01	.01½	Pontiac	.11	.12	Winoga cum rts	.05	.06
Dumico	.05	.06	Lardego	.02½	.02¾	Pelangio	.03	.04	Woco	.22	.24
Dunlop n	.01½	.02½				Polaris	.41	.45	Y David	.26	.27
E Lacoma	.02½	.02¾				Private'r	1.22	1.27			

Montreal, June 27, 1939

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abbeyv'e	.05	.07	Demp'y C	.01	.02	Louvre	.02	.03	Tiblem't I	.01½	.02½
Amity	.01	.02	LL Lag'n	.04	.05	Obalski	.07½	.08½	Valdor M	..	1.00
Brown B	.01	.02	L Rowan	.10	.11	Pan Can	.05½	.07	Warren'c	..	.05
Chibmac	.02	.03	Leroy	..	.01	Routh'r C	..	.03			

Winnipeg Stocks

(Transactions from June 19 to June 24)

	Sales	High for period	Low for period	Close June 24
Central Manitoba	4,000	.03½	.03½	.03½
Federal Grain pref.	30	24.00	24.00	24.00
Flin Flon Gold	9,000	.01¾	.01½	.01½
Franco Oils	1,650	.44	.43	.43
Great Falls M. & S.	1,000	.04	.04	.04
Great-West Life	2	250.00	250.00	250.00
Gurney	6,100	.06	.05¼	.05½
Kenricia	50	.25	.25	.25
Ore Grande	5,500	.04	.03½	.04
Reliance Grain, pfd.	5	34.00	34.00	34.00
Rice Lake	5,000	.00¾	.00¾	.00¾
Sachigo	30	7.25	7.25	7.25
United Grain Growers	4	5.00	5.00	5.00
West. Breweries	500	1.50	1.50	1.50
Western Grain pref.	20	5.00	5.00	5.00
Western Steel	40	6.50	6.50	6.50
Wings Vot. Trust	400	.25	.25	.25
Wingold	8,250	.04¾	.04	.04½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	..	100	Fed. Grain, com.	..	1.50
Beaver Lum., c.	2½	...	Home Invest	12	15
Beaver Lum., p.	90	100	North. Trusts	6	..
Can. Indemnity	125		N Can. Mtge., pf.	2½	..
Cres. Cream., pf.	6	10	Nor. Mtg. part pd.	1½	2
Dom. Envelope	..	3	Traders Bldg.	53	..
Dom. Envelope, p.	96	98			

* Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
June 27	11,300	16,300	256,000	40,879
June 26	11,100	18,100	311,000	96,335
June 24	3,500	8,800	145,000	18,600
June 23	8,300	53,900	214,000	40,405
June 22	12,300	32,200	282,000	40,210
June 21	14,800	68,900	374,000	43,337

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 27, 1939

Mining Dividends

Municipal Bonds

Investment Trusts

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pf.	$1.75	July 3	June 15
Alta. Wood Pres. p.	$1.75	July 3	June 26
Beatty Bros. 1st pf.	$1.50	Aug. 1	July 15
Beattie Gold	5c	Aug. 15	July 31
Biltmore Hats	25c	July 15	June 30
B. C. Tele., 1st pf.	$1.50	July 1	June 16
Do., 2nd pref.	$1.50	Aug. 1	July 17
B. C. Elec. Rly., pf.	2½%	July 15	July 3
Buff. Ankerite	25c	Aug. 15	Aug. 1
Brit. Mtge. & Tr.	$4	July 3	June 15
Brockville Trust	62½c	July 3	June 20
Brant. Cordage, pf.	32½c	July 15	June 20
Bralorne	20c	July 15	June 30
Do., extra	10c	July 15	June 30
Building Prod.	17½c	July 3	June 15
Beatty Bros., 2nd p.	$3.50	July 3	June 15
Belding Cort.	$1	July 3	June 15
Do., pref.	$1.75	July 3	June 15
Bell Telephone	$2	July 15	June 23
Brazilian Tr., pfd.	$1.50	July 3	June 15
B.A. Oil	25c	July 3	June 17
B. C. Power, A	50c	July 15	June 30
Bk. of N. Scotia	$3	July 3	June 15
Burlington Steel	15c	July 3	June 15
B.C. E. P. & G., p.	$1.50	July 3	June 20
Canada Bread, pfd.	$1.25	July 3	June 20
Do., B pref.	62½c	July 3	June 20
Do., arrears	37½c	July 3	June 20
Canada Packers	75c	July 3	June 15
Do., extra	$1	July 3	June 15
Can. Indust., A. B	$1.50	July 31	June 30
Do., pref.	$1.75	July 15	June 30
Coronation Rylts.	▲	July 3	June 20
Cent. Can. Loan	$2	July 3	June 17
Consumers' Gas	$2.50	July 3	June 15
Cosmos Imp., pf.	$1.25	July 15	June 30
Can. Canners, 1st p.	25c	July 3	June 15
Do., 2nd pref.	15c	July 3	June 15
Cariboo Gold	4c	July 3	June 8
Do., extra	1c	July 3	June 8
Commonwealth P.	■2c	July 15	June 30
Can. Perm. Mtge.	$2	July 3	June 15
Can. Nor. Pwr.	30c	July 25	June 30
Do., pref.	$1.75	July 15	June 30
Can. Cottons	$1	July 3	June 16
Do., pref.	$1.50	July 3	June 16
Cons. Bakeries, ord.	25c	July 3	June 15
Canadian Oils, pf.	$2	July 3	June 20
Can. W'lpaper, A. B	50c	July 11	July 4
Com. Alcohols, pfd.	10c	July 15	July 3
Canada Life	$5	July 3	June 30
Canada Trust	$5	July 3	June 15
Can. Light & Pr	50c	July 15	June 26
Can. Fairbanks, p.	$1.50	July 15	June 30
Can. Gen. Invest.	12½c	July 15	June 30
Can. Malartic	3c	Aug. 4	July 18
C. Bk. of Commerce	$2	Aug. 1	June 30
Coniaurum M.	5c	Aug. 8	July 24
Can. Am. Tr. Shs.	.066	June 30	...
Canada Bud	20c	July 15	July 5
Can. South. Rly.	$1.50	Aug. 1	June 30
Cons. Smelters	50c	July 20	July 3
Dominion Fire	$3	July 3	June 30
Dominion Bank	$2.50	Aug. 1	July 20
Dom. Coal, pref.	38c	July 3	June 15
Dom. Foundries	25c	July 3	June 20
Dom Tar, pfd.	$1.37½	Aug. 1	July 12
Dome Mines	50c	July 20	June 30
Dom. Textile	$1.25	July 3	June 15
Do., pref.	$1.75	July 15	June 30
Dist.-Seagram, pf.	$1.25	Aug. 1	July 15
Dom. Glass	$1.25	July 3	June 15
Do., pref.	$1.75	July 3	June 15
Edm. C. Dairy, pf.	$1.25	July 1	June 15
European Elec., A. B	30c	July 3	June 26
East. Theatres, pfd.	$3.50	July 31	June 30
Eastern Trust	$2	July 3	June 20
Fernie Brew.	60c	July 3	June 14
Do., extra	15c	July 3	June 14
Frontier Rylts.	▲	July 3	June 20
Goodyear Tire	63c	July 3	June 15
Do., pref.	62½c	July 3	June 15
Greening Wire	15c	July 3	June 15
Gt.-West Life	$3.75	July 3	June 20
Guar. of N. Amer.	$1.50	July 15	June 30
Do., extra	$2.50	July 15	June 30
Guelph & Ont. Inv.	$1.50	July 3	June 20
Guelph Trust	$1.25	July 3	June 20
Goderich Elev.	25c	July 3	June 15
Guaranty Trust	$2.50	July 15	June 30
Granville Oils	.00½	June 27	June 20
Gt. Lakes Pwr., pf.	$1.75	July 15	June 30
Grey & Bruce Tr.	2%	July 3	June 20
General Trust, pfd.	$1.50	July 3	June 23
Halifax Fire	50c	July 3	June 10
Harding Carpets	10c	July 3	June 15
Hamilton Cot., pfd.	50c	July 2	June 15
Hedley Mascot	3c	July 3	June 10
Huron & E. Mtge.	$1	July 3	June 15
Hinde & Dauch	12½c	July 3	June 15
Howe Sound	75c	June 30	June 23
Highland Dairy, p.	$2.50	July 3	June 20
Do., arrears	$1.50	July 3	June 20
Hollinger Cons.	5c	July 15	June 30
Do., extra	5c	July 15	June 30
Inter. Nickel, pf.	$1.75	Aug. 1	July 3
Indust. Mtge.	$1	July 3	June 16
Inter. Milling, pf.	$1.25	July 15	July 1
Imperial Bank	$2.50	Aug. 1	June 30
Inter. Bronze	37½c	July 15	June 30
Do., pref.	37½c	July 15	June 30
Intercol. Coal	$2	July 3	June 22
Do., pref.	$4	July 3	June 22
Int. Power, pf.	$1.50	July 3	June 15
Invest. Found., pf.	75c	July 15	June 30
Do., arrears	25c	July 15	June 30
Int. Pub. Ser.	50c	July 3	June 23
Do., pref.	$1.75	July 3	June 23
Do., (B) pref.	1¾%	July 3	June 23
Lambton Loan	$1	July 3	June 16
Landed Banking	$1	July 3	June 15
Mansf'ld Theat., p.	*$1.75	June 30	June 20
Maritime Tele.	17½c	July 15	June 20
Do., pref.	17½c	July 15	June 20
Montreal Tele.	68c	July 15	June 30
Mtl. C. & D. Sav.	$3	July 3	June 15
Do., bonus	$1	July 3	June 15
Mtl. L. H & Pr.	38c	July 31	June 30
McColl-Front., pf.	$1.50	July 15	June 30
Moore Corp.	40c	July 3	June 8
Do., pref. A. B.	$1.75	July 3	June 8
Mitchell, J. S., pfd.	$1.75	July 3	June 16
Model Oils	4c	July 15	June 23
Moneta Porc.	3c	July 15	June 30
Midland Loan	40c	July 3	June 15
Montreal Trams.	$1.50	July 15	July 4
National Trust	$2	July 3	June 30
Niag. W. Weav.	25c	July 3	June 15
N. S. Lt. & Pr., ord.	$1.50	July 3	June 17
National Brew.	50c	July 3	June 15
Do., pref.	44c	July 3	June 15
Nat. Steel Car	50c	July 15	June 30
Nat. Biscuit	40c	July 15	June 13
North Star Oil, pf.	8¾c	July 3	June 17
Nor. Ont. Pwr.	60c	July 25	June 30
Do., pref.	$1.50	July 25	June 30
N. B. Telegraph	12½c	July 15	June 30
New Eng. Pwr., pf.	$1	July 1	June 23
Do., arrears	50c	July 1	June 23
Do., 2nd pref.	33⅓c	July 1	June 23
Do., arrears	16⅔c	July 1	June 23
Ont. Loan & Deb.	$1.25	July 3	June 15
Ont. Tobacco, pf.	$3	July 3	June 15
Ogilvie Flour, c.	25c	July 3	June 19
Porto Rico Pwr., p.	$1.75	July 3	June 15
Prov. Paper, pref.	$1.75	July 3	June 15
Para. Pict., com.	‡15c	July 15	June 30
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Pioneer Gold	10c	July 3	May 31
Premier Gold	3c	July 15	June 16
Power Corp., pfd.	$1.50	July 15	June 30
Do., 2nd pref.	75c	July 15	June 30
Do., com.	†30c	July 25	June 30
Real Estate Loan	$1	July 3	June 16
R. S. Silk, A	50c	July 3	June 15
Smith, H. Pap., pf.	$1.50	July 15	June 30
Sher.-Williams, pf.	$1.75	July 3	June 15
Superfest P., ord. c.	50c	July 3	June 16
Do., pref. B	75c	July 3	June 16
Supersilk H., pfd.	$2.50	July 3	June 16
Sheep C. Gold	3c	July 15	June 30
Do., extra	1c	July 15	June 30
South. C. Pwr.	20c	Aug. 15	July 31
Do., pref.	$1.50	July 15	June 20
Stedman Bros., pf.	75c	July 3	June 20
Do., com.	15c	July 3	June 20
Stand. Chemical	50c	July 12	June 12
Saguenay Pwr, p.	$1.37½	Aug. 1	July 14
Simpsons, pfd.	$1.25	Aug. 1	July 19
Steel of Can.	43¾c	Aug. 1	July 7
Do., pref.	43¾c	Aug. 1	July 7
Sterling Trusts	$1.50	July 3	June 20
Sec. Holding, pfd.	65c	July 3	June 20
Trusts & Guar.	$1	July 3	June 17
Tamblyn, pref.	62½c	July 3	June 16
Do., com.	20c	July 3	June 16
Tor. Gen. Trusts	$1	July 3	June 17
Tuckett Tob., pfd.	$1.75	July 15	June 30
Tip Top Tailors	15c	July 3	June 20
Do., pref.	$1.75	July 3	June 20
Unit. Corp., A	38c	Aug. 15	July 31
Waterloo Trust	$2.50	July 3	June 23
W. Koot. Pwr., pf.	$1.75	July 3	June 22
Viau, pref.	$1.25	July 3	June 20
Weston, Geo., pf.	$1.25	Aug. 1	July 15
Wabasso Cotton	25c	July 3	June 17
W'minster Paper	25c	Nov. 1	Oct. 15
Wr.-Hargreaves	10c	July 3	May 17
Do., extra	5c	July 3	May 17
West. Assur., pf.	$1.20	July 3	June 30
West. Grocers	75c	July 15	June 20
Do., pref.	$1.75	July 15	June 20

‡Initial. †Interim. *Arrears.
■Payable in shares of Command Oils.
▲Based on production returns; amount not set.

Public Utility Earnings

Public Utility Earnings
Brazilian Traction

May—	1939	1938	Inc.
	$	$	$
Gross earn.	3,321,849	3,180,940	140,909
Oper. exp.	1,603,935	1,500,592	103,343
Net earn.	1,717,914	1,680,348	37,566
Five Months—			
Gross earn.	16,124,274	15,245,637	878,637
Net earn.	8,304,989	8,029,003	275,986

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

DIVIDEND

Biltmore Hats, Limited

Notice is hereby given that the regular half-yearly dividend of 25c has been declared on the Capital Stock of Biltmore Hats, Limited, the said dividend to be paid on July 15, 1939, to holders of record June 30, 1939.

By order of the Board.
WILLIAM F. FRANKE,
Secretary-Treasurer.
Guelph, Ontario.
June 23, 1939.

The Canadian Bank of Commerce

Dividend No. 210

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1939, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st August next, to shareholders of record at the close of business on the 30th June, 1939. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 23rd June, 1939.

The Dominion Bank

Dividend No. 227

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1939, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of August, 1939, to shareholders of record of the 20th July, 1939.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 15th June, 1939.

Canada Bud Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Twenty Cents (20c) per share on the 150,000 outstanding no par value common shares of Canada Bud Breweries Limited has been declared payable on the 15th day of July, 1939, to shareholders of record at the close of business on the 5th day of July, 1939.

By order of the Board of Directors.
J. S. FITZGERALD,
Assistant Secretary-Treasurer.
Toronto,
June 23rd, 1939.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 320
EXTRA DIVIDEND NUMBER 54

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 15th day of July, 1939, to shareholders of record at the close of business on the 30th day of June, 1939.

Dated the 24th day of June, 1939.
I. McIVOR,
Assistant-Treasurer.

Montreal Light Heat & Power CONSOLIDATED

92nd Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid up for quarter ending June 30th, 1939, has this day been declared to shareholders of record June 30th, 1939, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders July 31st, 1939.

By Order of the Board,
C. C. PARKES,
Secretary.
Montreal, June 26th, 1939.

Montreal Light Heat & Power serves 274,117 gas and electricity customers, representing a population of 1,443,588 in the sixty municipalities in the City and District of Montreal

The Consolidated Mining & Smelting Company of Canada, Limited

DIVIDEND No. 68

NOTICE IS HEREBY GIVEN that a dividend of 50c per share on the paid up Capital Stock of the Company for the six months ending June 30th, 1939, has this day been declared payable on the 20th day of July, 1939, to Shareholders of record at the close of business on the 3rd day of July, 1939.

By Order of the Board.
J. E. RILEY,
Secretary.
Montreal, P.Q.,
June 26th, 1939.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1939.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1939.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1939.

By Order of the Board,
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
June 26, 1939.

Company Reports

Foundation Co.

Foundation Company of Canada reports a sharp drop in earnings in the year ended April 30, 1939. Results for the year show an operating loss of $10,432 as compared with an operating profit of $243,504 in the previous year.

Net loss, after all charges, was $83,125 as against a net profit of $106,154 in 1937-38. Provision for depreciation was reduced by $28,977 to $81,000. Working capital shows a reduction of $231,411 to $447,656. R. E. Chadwick, president, states "conditions in the construction industry continue to be far from satisfactory with an exceedingly low volume of business offering and as consequence a very narrow margin of profits to the general contractor. It is hoped that the recent decision of the Dominion Government to allow as a deduction against income tax, 10% of the cost of new construction, have a stimulating effect on the industry."

Revenue from the company's docking business in Halifax was somewhat less than that of the previous year, but as a percentage, the decrease is much less than the decrease in the activity of the port as a whole.

Capital assets after crediting the proceeds of plant sold, show an increase of $66,186 and a net increase after depreciation of $50,803. The principal items of capital expenditure consisted of additional marine equipment and the construction of a new wharf and warehouse at Halifax.

Income and Surplus Account
Years Ended April 30

	1939	1938
	$	$
Oper. profit	*10,432	243,504
Add: Sundry revenue	13,682	8,474
Less: Directors' fees	4,019	4,235
Net earnings	*769	247,743
Less: Depreciation	81,000	109,977
Int. on mtges.	732	3,612
Income tax	420	28,000
Organ. exp. w/o	204	......
Net profit	*83,125	106,154
Less: Common divds.	42,300	42,300
Surplus for year	*125,425	63,854
Add: Prev. surplus	976,769	934,391
Less: Addit. inc. taxes	......	21,476
Surplus forward	851,344	976,769

*Loss or deficit.

Working Capital

	1939	1938
	$	$
Current assets	602,131	836,050
Current liabilities	154,475	183,983
Working capital	447,656	679,067

Stop & Shop

Net loss of Stop & Shop Ltd. for the 13 months period ended April 30, 1939, was reduced to $2,080 from a net loss of $18,133 in the 56 weeks period ended March 26, 1938.

The company's financial statements give effect to readjustment of interest rates on its bonds and sale of all the company's Toronto stores.

By the readjustment, interest rates on the first and second mortgage bonds were changed to 3%, and additional interest of 3% is cumulative, but payable out of one half of net profits. Sinking fund provisions were cancelled.

Important balance sheet changes during the year follow:

Balance Sheet Items

	Apr. 30 1939	Mar. 26 1938
	$	$
Cash	11,109	638
Cash with trustee	21,749	85
Bldgs. & equip.	590,970	799,592
Less: Depr. res.	177,045	250,531
	413,925	549,061
Land	412,967	427,780
Bank adv. (sec.)	98,030	137,065
Accr. bd. int.	2,403	20,029
6% 1st mtge. bds.	590,500	640,000
6% 2nd mtge bds.	74,200	80,000

Consol. Income and Surplus Account

	13 mos. Apr. 30 1939	56 wks. Mar. 26 1938
	$	$
Rental	73,250	69,659
Note interest	5,883	5,353
Other interest	166	169
Gross revenue	79,299	75,181
Less: Gen. exps.	5,952	2,406
Bank interest	3,951	9,148
Salaries	1,713	......
Property rents	6,337	......
Other prop. exps.	1,099	......
Property taxes	4,098	......
Net earnings	56,149	63,627
Less: Depreciation	34,462	34,882
1st mtge bd. int.	20,883	41,355
2nd mtge bd. int.	2,571	3,979
Prov. taxes	313	1,544
Net loss & def. for year	2,080	18,133
Add: Prev. loss	326,423	230,816
Loss on equip.	3,973	79,121
Loss Toronto prop.	13,509	......
Loss Toronto equip.	20,790	......
Exp. bdhldrs. comp.	8,997	......
Les: Prof. bds. red.	37,529	1,647
Adj. of interest	10,704	......
Loss forward	327,539	326,423

Working Capital

Current assets	109,826	101,190
Current liabilities	119,068	169,498
Excess of curr. liabilities over curr. assets	9,242	68,308

Dominion Motors

Dominion Motors Ltd., Leaside, Ont., was able to reduce its loss considerably in the year ended March 31, 1939. All space in the company's property is rented. The company has been inactive since 1933.

Bank advances of $592,191, including accrued interest, are the major item of current liabilities. These loans are secured by first mortgage bonds, due 1942, which covers the entire assets of the company. The president, James S. Brand, states that no further depreciation has been written off properties as the directors consider the book value of $658,730 a fair value at the present time.

Annual meeting is to be held on June 27, 1939.

Deficit Account
Years Ended March 31

	1939	1938
	$	$
Net loss for year	13,541	43,549
Add: Previous deficit	2,778,149	2,734,600
Deficit forward	2,791,690	2,778,149

Working Capital

	$	$
Current assets	1,772	5,146
Current liabilities	602,206	593,073
Excess current liabs.	600,434	587,927

Transportation Building

Less favorable rental conditions in Montreal are reflected in the annual statement of the Transportation Building Co. A deficit of $58,899 is shown for the year ended April 30, as compared with a deficit of $37,406 in the preceding fiscal year.

The company obtained a further reduction in assessed valuation from the municipality during the year, C. J. G. Molson, president, states in the report. The company, however, will only receive full benefit of the resultant saving in taxes during the current year.

Sinking fund payment on the first mortgage bonds, due April 30, 1939, and amounting to $46,700, was met. The fund is now in arrears $86,500. The property continues to be operated under the informal supervision of the trustee for the bondholders.

Interest on the 7% cumulative income debenture bonds for the period from May 1, 1931, to April 30, 1939, amounting to $63,280 was not paid and is not included in the financial statements.

Income and Deficit Account
Years Ended April 30

	1939	1938
	$	$
Operating profit	14,066	21,240
Less: Directors' fees	505	505
Legal fees	81	362
Exec. salaries	5,100	5,686
Depreciation	26,000	10,000
Bond interest	41,279	41,279
Res. for bad debts	......	1,500
Deficit for year	58,899	37,406
Add: Prev. deficit	206,771	169,365
Deficit forward	265,670	206,771

Working Capital

	1939	1938
	$	$
Current assets	22,611	18,841
Current liabilities	4,346	8,709
Working capital	18,265	10,132

Canadian Wallpaper Manufacturers Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share has been declared on the Class A and Class B shares of the Company, payable on and after July 11th, 1939, to shareholders of record at the close of business on July 4th, 1939.

By Order of the Board,
JOHN PRESCOTT,
Secretary-Treasurer.
Toronto, June 22nd, 1939.

Dominion & Anglo Invest.

Income of Dominion & Anglo Investment Corp., management type investment trust, was lower in the year ended April 30, 1939, than in the preceding year but at $6.84 a share still left a good margin over regular cumulative preferred dividends of $5 a share. During the past year the company has cleared off all remaining arrears on the preferred which amounted to $3.75 a share a year ago.

Capital surplus has been increased during the year by $21,263 which was the net realized profit on securities sold during the year, and by $12,350 which was the excess of par value over cost of the 550 preferred shares purchased for redemption. This capital surplus now stands at $347,181.

Book value of investments held was $1,991,966 at April 30, 1939, with a market value of $1,767,286. This compares with $1,880,705 and $1,628,344 respectively at the end of the previous year. Cash on hand this year is $60,026 as compared with $184,208 a year ago. Annual meeting is to be held on July 12, 1939. At the same date a special meeting is being called to approve cancellation of 550 preferred shares now held.

Income and Surplus Account
Years Ended April 30

	1939	1938
	$	$
Invest income	105,193	113,830
Less: Disc. & exchange	40	5
Directors' fees	1,500	1,500
Exec. remuner.	5,500	5,500
Legal fees	706	80
Other expenses	4,047	4,244
U.S. income tax	647	754
British inc. tax	125	......
Dom. inc. tax	3,954	2,926
Net profit	88,673	98,730
Less: Pref. dividends	114,375	84,375
Surplus for year	*25,702	14,355
Add: Previous surplus	62,931	48,085
Less: Tax adjust.	585	......
Earned surplus fwd.	36,643	62,931
*Deficit.		
Earned Per Share:		
Preferred: Earned	$6.84	$7.31
Paid	8.75	6.25
Common: Earned	$2.39	$3.12
No dividends paid.		
Shares Outstanding:		
Preferred, $100 par	12,950	13,500
Common, n.p.v.	10,000	10,000
Equity per Share:		
Preferred	$136.96	$132.85
Common	47.84	25.78

Thrift Stores

Thrift Stores Ltd. reports an improvement in earnings in the year ended March 25, 1939. Net loss was reduced from $129,553 to $17,993.

The company has disposed of its Toronto business and is now confining its operations to Montreal and Ottawa. R. H. Hommel, president, states, "the complete disposal of the Toronto division has resulted in a marked improvement in the company's operations, and the present operating results justified the belief that the operations for the current year should result in a profit."

The balance sheet reflects disposal of the Toronto stores. It shows a substantial reduction in both current assets and current liabilities, but working capital is slightly higher at $215,559. Bank loans at $86,822 have been eliminated and inventories reduced from $562,085 to $339,014.

Cons. Income and Surplus Account
Years Ended

	Mar. 25 1939	Mar. 26 1938
	$	$
Oper. profit	56,613	*52,038
Less: Exec. salaries	22,905	36,266
Directors' fees	1,800	1,625
Legal fees	5,158	2,875
Int. on note	5,367	4,960
Depreciation	16,452	18,289
Pd. re contr. cancel.	......	13,500
Loss on Toronto sale	22,924	......
Net loss	17,993	129,553
Add: Prev. deficit	145,420	11,300
Loss on assets sold	10,284	4,567
Deficit forward	173,697	145,420

*Operating loss.

Working Capital

Current assets	462,826	688,156
Current liabilities	247,267	475,941
Working capital	215,559	212,215

United Fuel

Consolidated net profits of United Fuel Investments Ltd., Hamilton, and subsidiaries, for the year ended Mar. 31, 1939, dropped to $328,139 from $537,101 for the preceding year. This figure, which is after income taxes and all charges, is equivalent to $3.65 a share on the 90,000 shares of preferred now outstanding against $5.96 a share on the same number of shares a year earlier.

Reductions in profits are attributed entirely to the operations of the coke company. Gas distributing companies increased their profits slightly, although volume of gas sold was slightly lower, because of reduced industrial activity in the area served. Domestic and commercial consumption of gas increased. Accumulations of competitive coke supplies brought lower selling prices last year, while coal cost was up. Volume of coke sold was nearly 8% lower than in the previous year.

Balance sheet gives effect to the reorganization effective March 31 of this year. Depreciated value of property is up $1 million to $7.6 millions. Reduction of $2.3 millions in par value of stock has been applied toward writing down premium paid for subsidiaries from $6.4 millions to $4.1 millions. Funded debt is up to $5.9 millions from $4.9 millions, because of issue of $1 million of second mortgage bonds in payment for gas distributing systems. Net increase in funded debt, however, is only $856,500, as previously outstanding bonds were reduced $143,500.

Consolidated Income and Surplus Account
For Years Ended March 31

	1939	1938
	$	$
Oper. profit	952,355	1,230,507
Less: Directors' fees	3,200	3,650
Exec. salaries	22,500	37,555
Legal fees	3,600	10,600
Net earnings	923,055	1,178,702
Less: Depreciation	224,226	223,300
Interest on bonds	271,352	278,645
Res. for inc. tax	75,160	114,013
Bond & loan exps. & disct. absorbed	24,178	25,642
Net profit	328,139	537,102
Less appropriations:		
Pref. divids. (old)	180,000	360,000
Preferred (new)	157,500	......
Surplus for year	*9,361	177,102
Add: Prev. surplus	1,137,480	1,014,181
Ad. re issue exps. Ham. By-Prod. bds.	......	2,469
Pr. year's adjust.	5,326	18,728
Less: Prov. for reorg. exp.	62,345	75,000
Payments on reorg.:		
To Un. Gas Co.	180,000	......
Divid. on old pref.	180,000	......
Surplus forward	711,100	1,137,480
*Loss.		
Times Bond Int. Earned:		
Before depreciation	3.40	4.23
After depreciation	2.58	3.43
Earnings per Share:		
Pref. (old): Earned	....	$5.97
Paid	$2 + *$2	4.00
Cl. "A" Pref.: Earn.	3.65	•5.97
Paid	1.75	
Cl. "B" Pref. Earn.	0.32	•1.48
None paid.		
Com. (new) Earned	0.32	•1.48
None paid.		

*Paid April 1, 1939, as part of reorganization plan.
•Shown for comparative purposes only; new stock issued under reorganization which became effective Feb. 1, 1939.

Working Capital

Current assets	2,092,975	2,126,596
Current liabilities	802,498	983,173
Working capital	1,290,477	1,143,423

Week in Wheat

Argentine Shipments Weaken Wheat Market

Aggressive Sales Policy Is Principal Bearish Factor Rather Than Canadian Crop — Pool Selling Agency Suggested

From Our Own Correspondent

CALGARY. — Principal bearish factor in the market does not appear to have been the increasingly good outlook for the wheat crop of western Canada. Rather it has been the evident determination of Argentina to sell as much as possible of her excess wheat before new crop wheat in North America comes on the market in large quantity.

Earlier in the year, Argentina was remarkably willing to refrain from pushing sales. With six months of the crop year of that country gone, however, she is now apparently apprehensive about having a considerable supply of wheat still on hand, when a new crop is marketed.

Low ocean freight rates are currently in favor of Argentine exports, as against those from North America. Continuously heavy shipments from Argentina are keeping stocks afloat at a high level for this time of year, relieving European purchasers of any anxiety for immediate supplies. Some of these shipments, however, are understood to be implementing barter transactions recently made with Germany and Italy, and also sales to the Spanish Government.

Hedging in Futures

The price of November and December futures is still holding above the 60c. level, with somewhat lower level for October on which Garnet wheat is deliverable at a comparatively narrow discount. Small amount of hedging in the futures is being done by larger farmers, who will have more to sell than the 5,000 bushels the Wheat Board will accept from them.

There is a good deal of discussion in wheat circles as to the possibility of the Government proclaiming the Act to encourage the co-operative marketing of wheat, and the formation of a pool or a series of pools thereunder. Under it a pool selling agency would be guaranteed a gross average selling price basis of 60c. a bushel. To take care of handling and storage costs, the basis of an initial price to farmers might be 55c. a bushel, although less probably would be safer on account of possibly high storage costs. If it is proclaimed, competitive elevator interests might operate a series of pools, or they might unite in the operation of a single pool. An ingenious suggestion is that the Wheat Board might be authorized under the Act to act as a pool selling agent. It would then be able to pay the 70c. basis to a farmer for the first 5,000 bushels of his wheat and 55c. for the remainder.

• • •

Private Pools

Very little wheat would be delivered at the latter price so long as the open market remains above that level. Most observers feel that it would not conduce to a healthy market situation to have a series of pools operating against the Wheat Board. But there is doubt as to the Government's willingness to increase its wheat commitments, which were apparently intended by Parliament to be limited to the guarantee of 70c. a bushel, through the Wheat Board, on the first 5,000 bushels from any farmer. It is believed the Government will not be moved to act unless the Wheat Board reports that its operations might be hampered if the quantity of surplus wheat offered for immediate sale when the crop begins to move is very large. It may be large, as some of the heaviest prospective crops are in districts where the largest farms are operated.

Operators of such farms are now heard to deplore the fact that the Government advanced the initial price basis from 60c. to 70c., and concurrently limited deliveries. Some of them with a very large bushelage to market would trade the extra $500 available to them for security on the whole crop.

• • •

Course Grains

There is also talk of possible formation of pools in order to secure guaranteed prices on coarse grains. This could be done under the general Act to encourage co-operative marketing of agricultural products. That Act is already proclaimed and the Government presumably desires to have it made use of. But it is doubted if the Government would risk losses on coarse grains, in addition to wheat costs, which may run to 100 millions on two years' crops.

See 60 Cents As Base Price

From Our Own Correspondent.

OTTAWA.—Under pressure from the Prairie Provinces, the Dominion Government is likely to proclaim the statute enacted last session providing for the payment of an initial price of 60 cents per bushel on pooled wheat.

The demands for the proclamation of this statute have surprised Ottawa. It was felt that the amendment to the Wheat Board Act fixing the price at 70 cents per bushel plus the acreage bonus act would be the two effective laws dealing with wheat during the coming crop year. The 60-cent initial payment law was the first measure advanced by Hon. J. G. Gardiner last session and it was commonly thought to have been superseded by the wheat board 70-cent act.

The explanation is that the 70-cent price applies only to the first 5,000 bushels of wheat sold by any one farmer. Thereafter, a farmer cannot obtain the fixed price. Crop prospects are so rosy that many farmers expect to have much more than this quantity for sale and, fearing the price of wheat will go very low, they desire the 60-cent initial payment for their surplus wheat.

Commodity Prices

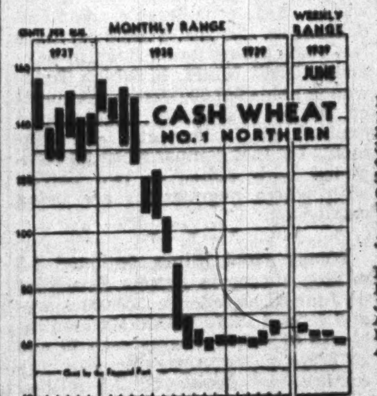
In spite of a general belief that inventories of various commodities are low, prices have continued irregular. Gains were shown in the agricultural group in cattle and hog prices, these being affected by firmer markets in the United States and the United Kingdom respectively. Wheat eased further on news of favorable crop developments, in Canada and the United States. Demand for the industrial group was still limited. Cotton and rubber were slightly firmer, following news of the barter deal. Sugar was firmer on reduced world export quotas.

	Latest week	Previous week	Same week last yr.
Cattle	$7.25	$6.85	$8.10
Hogs	9.75	9.50	11.90
Copper, lb.	.10	.10	.09
Cotton, lb.	.0991	.0987	.0885
Rubber, lb.	.1635	.1622	.1395
Sugar, raw, lb.	.0285	.0280	.0266
Silk, lb.	2.44	2.52	1.68
Wheat, Man. (bu.)	.59¼	.61½	1.08½
Coffee, lb.	.05¼	.05¼	.04⅞
Hides	.11	.11	.09
Weekly Indices			
Canada (D.B.S.)	73.1	73.3	80.2
Do., Wood, Gundy	53.5	53.6	53.5
U. S. Labor	75.4	75.6	78.4
Dow Jones (future)	40.55	40.64	40.17
Crumps (Brit.)	71.2	70.8	73.0
Fishers'	78.9	78.9	81.1
Monthly Indices			
Canada (D.B.S.):			
Retail (May)	83.1	83.1	84.2
W'sale (May)	73.7	73.4	80.3
U. S. (Apr.)	76.2	76.7	78.7
Gt. Brit. (Mar.)	96.6	96.8	104.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

Wheat Prices



(Cash Quotations)

	For Week June 27 High	For Week June 27 Low	Prev. Week High	Prev. Week Low
1 Hard	.60⅝	.59¾	.63	.61⅞
1 Northern	.60⅝	.59¼	.62½	.61⅝
2 Northern	.56⅝	.55⅛	.58⅝	.57½
3 Northern	.52⅛	.50½	.54½	.53⅜
4 Northern	.50⅛	.48¾	.52½	.51⅜
5 Wheat	.43⅝	.42¾	.46	.44⅞
6 Wheat	.39⅝	.38⅛	.41	.39⅞
Feed Wheat	.39⅛	.38¼	.41	.39⅞

Combined Export Prices:
June-July shipments.

	Week to June 27	
No. 1 North. (Vanc.)	.74¾	.72¼
No. 3 North. (Vanc.)	.69⅝	.66⅝
Jugoslavia	.52	.52
Australian (afloat)	.63¾	.61½
French, soft	.53½	.50½
Argentine Rosafe†	.56½	.55

†63½ lb. May.

HALLET - CAREY - SWART
LIMITED
GRAIN - STOCKS - BONDS
Exporters - Grain Futures
Head Office — WINNIPEG, Man.
Branch — FORT WILLIAM, Ont.

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

DEPENDABLE
THE ALBERTA PACIFIC GRAIN Co. Ltd.
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

GRAIN MERCHANTS
RECEIVERS · SHIPPERS · EXPORTERS
Over 200 Country Elevators in Western Canada
Terminal Elevator at Port Arthur
Private wires connecting Offices across Canada with New York and Chicago
Executive Offices Winnipeg

EST. 1857
JAMES RICHARDSON & SONS
LIMITED

ENEMIES OF THE WEST

One great enemy of the West — rust — has been conquered as the result of many years of work by many agricultural scientists. Widespread distribution and use of the various rust-resistant Wheats will tend to combat this enemy satisfactorily in the future.

Another great enemy — widespread drought — would seem, for the time being, to have disappeared. Generous rains this year give rise to the hope that the drought cycle is ended.

With improved prospects this year, and with the danger from these two enemies temporarily allayed, the West looks forward once again to playing its important part in the trade of the world, and thereby resuming its position in the national economy of Canada.

This Company has published material concerning these two enemies of the West, and we would be pleased to forward them to anyone interested.

SEARLE GRAIN COMPANY LIMITED
WINNIPEG, REGINA, SASKATOON, EDMONTON, CALGARY, FORT WILLIAM, VANCOUVER

Winnipeg Grain Futures

Week to June 27, 1939

	Crop year from Aug. 1, 1938 High	Crop year from Aug. 1, 1938 Low	Open June 21	High for week	Low for week	Close June 27	Close year ago
Wheat							
July	.67⅝	.57⅛	.60⅛	.60⅛	.57⅛	.58⅝	1.03½
Oct.	.68⅝	.58¼	.61¼	.61¼	.58¼	.59¾	.85⅞
Nov.	.68⅝	.60	.62⅞	.62⅞	.60	.61⅝	.85
Dec.	.68⅝	.60	.62⅞	.62⅞	.60	.61½	.83½
Oats							
July	.32	.27⅝	.30	.30	.28¼	.29	.46⅝
Oct.	.31½	.27¼	.29⅜	.29⅜	.27⅞	.28¾	.38
Dec.	.30	.27½	.28⅞	.28⅞	.27½	.28⅜	.35
Barley							
July	.41¾	.33¾	.37½	.37½	.36¼	.36¾	.53⅝
Oct.	.41½	.33¾	.36¾	.36¾	.35⅝	.36⅞	.50
Oct. (new)	.41	.35⅛	.36⅝	.36⅝	.35⅞	.36⅝	..
Dec.	.40¼	.35¼	....	.36⅛	.35¼	.36⅝	.48
Flax							
July	1.39	1.39	1.41⅜	1.41⅜	1.39	1.39¼	1.47
Oct.	1.46	1.37	1.40½	1.40½	1.37	1.38	1.47¾
Rye							
July	.51¼	.39⅛	.44	.44⅛	.40⅝	.42⅜	.54¼
Oct.	.51¼	.39¾	.44⅛	.44⅛	.41½	.43½	.54⅝
Dec.	.48½	.42½	.44	.44⅝	.42½	.44⅝	.55⅝

Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE.
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER, INVESTORS' CHRONICLE, 20, BISHOPSGATE, LONDON, E.C. 2, ENG.

No Obligation
An interview with one of our trust officers to discuss estates and trusts entails no obligation whatsoever on your part. It may, however, prove highly beneficial to your estate in years to come.
MONTREAL TRUST Company
Montreal Trust Building
61 Yonge Street Toronto
Toronto Office:
J. F. HOBKIRK, Manager

Need ENVELOPES?
DOMINION ENVELOPES LTD
We have them all Kinds
ELGIN 7271

Obalski Mining Corp. secured a value of $20.34 across 69 inches in drill hole No. 28 put down under ore shoot No. 3 at the Cache Bay property under option to N. A. Timmins Corp. Hole No. 27 located between ore shoots returned only $1.50 across 68 inches.

TRADE WITH GREAT BRITAIN
The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.
Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2
ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Total Assets ..... $429,679,150 ($5 to £1)
Associated Bank:
Williams Deacon's Bank Ltd.

Legal Directory

TREMBLAY & EUDES
Advocates, Barristers, Etc.
LUCIEN TREMBLAY
RAYMOND EUDES
266 St. James St. W., Montreal
LANCASTER 5634

W. M. COUPER, K.C.
Advocate, Barrister, Etc.
486 St. John St., Montreal
Tel. MArquette 3005

DAY, FERGUSON, WILSON & KELLY
BARRISTERS, SOLICITORS, Etc.
James E. Day, K.C. — Thomas J. Day
Roland F. Wilson, LL.B. — Arthur Kelly
H. Emerson Martin — John R. Brimage
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

FENNELL, PORTER & DAVIS
ROBERT FENNELL, K.C. — DANA H. PORTER
BRUCE P. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS, "THIMSON,"
TORONTO CANADA

LANG & MICHENER
BARRISTERS, SOLICITORS, ETC.
DANIEL W. LANG, K.C.
D. R. MICHENER — C. M. RICKETTS
H. S. DAY — C. E. JOLLIFFE
372 BAY STREET, TORONTO
TEL. WA. 2931
CABLE ADDRESS "LAMER"

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Barristers, Solicitors, etc.
WINNIPEG, CANADA

Bonded with U.S.F. and G. Co.
A. PAPINEAU MATHIEU
B.C.L.K.C.
Attorney at Law
266 St. James W. Montreal, Can.
Write or wire re Quebec Mining Laws

J. P. DesCHATELETS, B.A., LL.B.
Advocate, Barrister, Etc.
266 St. James St. West, Montreal
Tel. Belair 3100

The Week in Mining

U. S. Political Moves Don't Alarm Canada

Roosevelt Could Still Raise Gold Price Despite Refusal to Renew Special Authority— Silver Price Cut No Surprise

United States monetary policy this week became the shuttlecock in a major political game which may have very important repercussions on the Canadian mining industry.

Despite the refusal of the U. S. Senate to renew the President's authority to devalue, this does not mean that another increase in the price of gold, of such immense interest to Canadians, is rendered impossible.

For though the Senate would deprive Roosevelt of his special authority, he has an ace up his sleeve in the fact that through another Act of Congress the Administration still has the power to change the gold price. Furthermore, the decision of the Senate may not prevail.

Ten-to-one Odds

Does the present situation increase possibilities for an imminent increase in the price of gold?

Probably not. President Roosevelt is quoted as scoffing at predictions that he might act before the deadline June 30 and devalue the dollar from 59 cents to 50 cents.

"For five and a half years," the N. Y. Times quotes him as saying, "we have had the right to devalue the dollar. We have not used the authority and there is absolutely no intention of using it unless some of the principal nations of the world start to take a crack at us the way they did in 1931 and it took us three years to recover. Then we had a rigid exchange, but as long as we have the right to devalue by 18%—it is a matter of betting odds—the chances are ten to one we will not have to use it."

* * *

Bark Seen Biteless

Partly to show their fangs at Roosevelt, partly to show their strength and warn against throwing the increasingly unpopular silver purchase policy overboard, Silverites and anti-Administration groups have ganged up against renewing two special monetary powers granted the President which expire June 30 unless renewed.

To get the picture clear we must cite Acts.

Section 12 of the Gold Reserve Act of 1934 authorized the President to fix the gold content of the dollar, between 50% and 60% of its former parity. This he did and, for Canada, it meant $35 gold. The power has been renewed several times since but further use has not been made of it. This power, along with control over the stabilization fund, which Secretary Morgenthau considers so vital, the Senate now refuses to renew.

* * *

The Roosevelt Ace

The Roosevelt Ace, however, is Section 8 of the Gold Reserve Act. This section provides, without any time limit, that "the secretary of the treasury....may buy gold,....at home or abroad....in any amounts ....and at such rates....as he may deem most advantageous to the public interest."

So far—perhaps through failure to notice it—the Roosevelt opposition has said nothing about repealing this section 8. And to prevent Roosevelt hoisting the gold price, should he desire, repeal this clause they must.

* * *

Silver Price Cut

Canadian silver producers are not yet certain what effect the reduced U. S. Treasury price for foreign silver will have on their income. In the calendar year 1938, Canada's silver exports were 22.7 million ounces, nearly all of which went to the United States. Apparent loss to Canadian silver producers may be around $660,000 for the year on current rate of production and on the basis of the reduction from 43 to 40 cents an ounce.

The completely artificial U.S. price for silver, both domestic and foreign, has been a very disturbing factor to the silver industry, especially outside U. S. borders. The high domestic U. S. price of silver (64.64 cents) has kept many inefficient, high cost silver producers going. Many Canadian producers have long felt that if silver were allowed to reach a natural price level, based on supply and demand in the world market, the lower cost producers would reap their just reward and the eventual result would be better and more stable conditions for the whole industry.

With some U. S. producers shut down when no longer subsidized by the high price, it is considered probable that normal expression of world demand would result in a higher price than that now received by the Canadian producers. Should the senate bloc which wants to halt purchase of foreign silver altogether succeed, however, the outlook would be more serious. It is important to note, of course, that the Silverites in the House are a very much less powerful group than in the Senate.

Since virtually all Canadian silver production is now a by-product of mineral operations in which other metals are more valuable, no Canadian mine will be seriously affected by the current price change. At the same time, because silver is a by-product, hardly any Canadian mine will be able to hold back on its silver output.

Consolidated Mining and Smelting is Canada's largest silver producer, last year producing over 9.8 million ounces. Silbak Premier and Eldorado are other mines with silver-bearing ores. Many mines recover silver to a much smaller extent.

* * *

Long Term Policy

The present move of the U. S. Treasury in reducing the price for foreign silver is evidently just another step in a long term policy which has been manifested on several occasions over recent years.

Here is something of the background.

At the end of 1937, the Eight Nation Silver Pact expired and the United States became the world's only supporter of the silver market, a task imposed on her mainly by the insistence of politicians from the western states. The support then avowed was on a 24-hour basis. The support also involved maintaining the price at an artificially high level, around 64 cents compared with a world price of 45 cents, which tended to put the whole silver producing and marketing business in a very precarious position.

Early in 1938 the United States adopted its much criticized Silver Purchase Act. This committed the U. S. to buy silver, domestic and foreign, until the country's monetary reserves contained one ounce of silver for every three ounces of gold.

Despite the expenditure of more than $800 millions in trying to achieve this ratio, the U. S. Treasury is farther away than ever from its goal because of the tremendous amount of gold that has been pouring into United States, especially in recent months of European alarm.

The present reduction is not the first cut in the price for foreign silver under this policy. In the spring of 1938, the U. S. Government declined to purchase any more silver from Mexico. At the same time it lowered its price for other foreign silver a cent, to 44 cents an ounce.

Broulan Drifts In High Grade

Net Current Assets Over $100,000 on June 1—Extend Option

Drifting to the east from the north shaft crosscut on the first level at Broulan Porcupine Mines has opened up a length of 92 ft. of ore with muck samples running $23.10 a ton and chip samples $34.16 a ton, according to President Bert W. Lang. For the last four faces for which assays are available, muck samples have averaged $74 a ton with chip face samples running over $56 a ton.

The company announces appointment of G. H. Gibbs as mine manager following resignation of J. M. Cunningham-Dunlop, manager of Hoyle Gold Mines, which now requires his full-time attention.

Two more rounds have been taken out of the east drift for which assays are not yet available but the material compares favorably in appearance with previous rounds. The width of the ore is not yet known, but will be determined later by slashing and crosscutting. As the ore apparently occurs in a drag fold which pitches east, drifts on the lower levels will have to be extended farther east than on the first level to intersect ore. Indication of the width of the ore being drifted on is given by two flat drill holes put out from the drift. The first hole, 42 ft. east of the crosscut, intersected 48.5 ft. averaging $10.50 uncut grade or $6.70 uncut across 111 ft., taking the full width of the zone. The cut grade for the two sections, cutting high assays to $35, is $7.27 and $5.29 per ton. A second hole, 25 ft. farther west, cut 80 ft. averaging $19.68 uncut or $6.07 cut grade.

Due to unsettled market conditions, dates under the option agreement with Haras Corporation Ltd. have been extended. The company has received $300,000 for 800,000 shares to date from Haras Corporation. Further options are outstanding on 200,000 shares at 65 cents a share and 400,000 shares at 80 cents a share with 100,000 additional shares to be issued to Haras Corporation if all options are taken up and any funds required to bring the property into production are provided by way of a loan. As of June 1, 1937, net current assets of over $100,000 were considered sufficient for six months development.

Mining Concentrates

Auraturus Mining Syndicate has let a contract for further development work on its property in the Porcupine area located in the northwest corner of Adams twp. Work is now getting under way.

* * *

Amherst Gold Mines has formulated plans for diamond drilling and additional underground exploration following completion of new financing. The company was formed last November to take over the property of Algold Mines on the basis of one Amherst share for each two Algold issued. Two shafts were sunk on the property in previous work with considerable work done on the West and Mid-West deposits on levels established at 100 and 200 ft. depth. A 100-ton mill on the property was used for a time in bulk sampling.

* * *

Beattie Gold Mines shares were replaced on the Toronto Stock Exchange by shares of Beattie Gold Mines (Quebec), June 26. The Quebec company was formed to take over the older company in order to conform with Quebec Bill 5 legislation.

* * *

Gomak Mines, in the Three Duck Lakes area, north of Sudbury, is planning diamond drilling. In previous work Gomak sank a shaft to 85 feet and considerable lateral work was done on that level. The property is equipped with an up-to-date mining plant and a 35-ton mill which was in operation about two years ago, handling about 500 tons of ore for bullion recovery of $3,413 with heads running as high as $20 per ton. Gomak is controlled by Porcupine Crown Mines, and other development in the area has been carried out by the Young-Shannon Gold Mines and other companies.

* * *

Hollinger Consolidated Gold has withdrawn its drills from the Burscott Syndicate property in the Opeepeesway Lake area to the northwest of the Jerome Gold Mines. There has been no official statement whether the option has been dropped, but it is understood work may be resumed later.

* * *

Kiena Gold Mines arrangements for its renewed programme of underground exploration are revealed by a statement of the Ontario Securities Commission. On March 13, Thayer Lindsley agreed to purchase 500,000 shares at 15 cents a share payable at the rate of not less than $7,000 monthly, commencing June, 1939, and was granted an option on 500,000 shares at 25 cents per share payable $12,500 every thirty days after completion of the purchase of the previous block of shares. Authorized capital of the company is 5 million shares of which 2,856,874 have been issued.

* * *

Lucky Kirkland has approved sale of certain mining claims for 800,000 shares in a new company to be formed. The new company will be formed by Kelly Kirkland Mines which is to receive 500,000 shares with both Lucky Kirkland and Kelly Kirkland to turn over 100,000 of shares received to C. D. Miller & Co. for negotiating the deal. Lucky Kirkland directors have been increased from three to five.

* * *

Lardego Gold Mines optioned one million shares to H. J. Picard on June 21, 1939, in blocks of 500,000 shares at 5 and 10 cents a share payable 100,000 shares within six months and balance within 24 months. Of 5 million shares authorized, 2,308,705 have been issued. A previous agreement with Mr. Picard has been terminated.

* * *

Michaud Porcupine Gold Mines completed a financing agreement on June 21 by which Deral Investments Ltd. agreed to purchase 200,000 shares at 10 cents a share payable by June 29, and received an option on a further 2,799,995 shares as follows: 100,000 shares at 12½ cents a share payable by July 29; 200,000 shares at 15 cents a share payable by Sept. 27, 1939, with balance at 20 cents to $1 payable by March, 1942. Authorized capital is 5 million shares with 2,000,005 issued.

* * *

New Golden Rose Mines reports May production and average recovery below previous month's figures, with $30,273 produced from 2,329 tons of ore compared with $40,496 from 2,869 tons in April. Gross tonnage was down due to mechanical interruption. Grade was $13 per ton against $14.11 in April, while the average recovery for the first five months of the year was $14.36. Underground work is proceeding normally.

* * *

Newroy Gold Mines has taken a diamond drilling outfit into its property in the Opeepeesway Lake field and will start its programme immediately. The property adjoins Jerome Gold on the north and was formerly the R. and R. Syndicate. Newroy engineers believe the strike from Jerome runs northwest through Newroy holdings, and the current campaign is designed to test that theory.

* * *

North Whitney Mines is stated to have received $100,000 under its new financing agreement for development of its property in the Porcupine area. A complete mining plant is to be assembled for the carrying out of a programme of underground exploration. Officials plan to call an annual meeting of shareholders shortly at which details of the financing agreement will be revealed.

* * *

Red Hawk Gold Mines have invested $5,000 in 100 shares of Cariboo Midas Mines, a privately organized company with an authorized capital of 6,000 shares of $50 par value each. Work on the Cariboo Midas property is being financed by Amparo Mining Co. of Philadelphia.

* * *

Stadacona Rouyn Mines has completed shaft sinking to a depth of 1,310 ft. on its way to an objective at 2,000 ft. A new hoist has been ordered and will be installed by the time the shaft reaches 1,500 ft. depth. A flat drill hole put out to the south for 80 ft. at the 725-ft. level intersected a width of 40 ft. with values up to $14 per ton showing in the sludge over 5-ft. lengths. A drift has been turned to the south to follow this new zone.

* * *

Tonawanda Mines expects to receive close to half a million shares in a company formed to take over the property of the Hill-Teider Mining Syndicate, if present financing negotiations are successful. Tonawanda did considerable diamond drilling on the Hill-Teider property last year, taking down stock in payment. Orpit Mines, in which Tonawanda holds 647,500 shares, is expected to sink a shaft for underground exploration if financing arrangements for that company can be completed with either of two parties with whom negotiations are being carried on.

* * *

Wenga Gold Mines optioned 1.5 million shares to Agnew Securities on June 20, as follows: 500,000 shares at 5 cents a share within six months; blocks of 500,000 shares each 10 and 25 cents a share payable within a further two years. Of 3.5 million shares authorized, 1.3 million have now been issued.

The Week in Oils

Pipe-Line Charge Cut Will Boost Returns

Conservation Board Makes First Levy on Producers—Budgets For $50,000—See Higher Output as New Wells Raise Field Potential

From Our Own Correspondent

CALGARY.—Reports from the Dominion capital indicate that progress is being made in continued negotiations regarding British financial interests and a pipe line to the head of the Great Lakes.

Three representatives of British interests are now in Ottawa and have had several meetings with Cabinet and Government officials. Oil refiners and distributors may be called to tell whether they are willing to use Canadian crude at competitive prices. Basis on which a pipe line would be built, it is understood, is that proprietors will be allowed to net only a nominal 2 to 3% on the money invested.

The first levy on Turner Valley operators for support of the Conservation Board, which estimates its needs at $50,000 a year, has just been made. At the same time as this change is being made, however, operators are getting the much more important reduction in Valley-to-Calgary pipe-line and loading charges.

Roads are still bogged from recent rains and many operations are being held up, though the Benedum-Trees drilling at Pouce Coupe is expected to get started very shortly.

Few Protests

Turner Valley operators are not generally protesting the levy by the Petroleum and Natural Gas Conservation board on productive acreage in the valley oil field to meet the expenses of the board. It is now recognized that some supervision is desirable and that the board should not be hampered by a "shoestring" budget. W. F. Knode, chairman of the board, has been target for some criticism but he is known to be very highly qualified, and perhaps the best man anywhere available for the job.

The levy on Turner Valley proved acreage will be two or three mills on the dollar although under the Petroleum and Natural Gas Conservation Act, passed at the last session of the Alberta legislature, the board may make an assessment as high as 10 mills. Acreage in Turner Valley upon which the levy will be placed is believed to be valued for assessment purposes at between $25 millions and $30 millions.

Wildcat acreage in other parts of the province will not be assessed. Valuation of leases where there is no producing well or a well building, range from $1 per acre in unproved ground to $1,000 in proved ground. Valuations on producing properties are computed on the usual set of factors, production, gas-oil ratios, performance of neighboring wells, etc.

* * *

Will Cut Costs

The act declaring pipe lines from Turner Valley to Calgary common carriers has been proclaimed and announcement of new low rates is expected at any time. Recommendation of the McGillivray Commission was for a reduction in pipe-line charge from 15 to 9½ cents per barrel; that the tank car loading charge should be reduced from 5 to 2½ cts.; that tank truck loading be provided at 2½c. and that charge for pipe-line losses be cut from 1% to three-quarters of 1%.

* * *

Five New Wells

Five new crude producers are getting their official production test.

Oil Ventures well has just been completed and appears to be an excellent producer. Unlike many Turner Valley wells there was sufficient initial gas pressure to clear out rotary fluid without resorting to a "gas lift" from a neighboring producer. The other four wells just about completed at Anglo-Canadian 4 and 5, British Colonial and Harris 2.

Before next fall, when the peak demand for oil is reached, Turner Valley will have increased its potential production very considerably. In addition to the wells mentioned above, Anglo-Canadian expects to have Anglo-Canadian 6 and Extension 2 on steady-yield by September or October.

The general expectation is that the present allowable for Turner Valley of 27,000 barrels daily will be increased above 30,000 barrels by September. There are 20 wells drilling in Turner Valley now, compared with 19 a year ago. There are 73 crude producing wells plus three, recently completed, with temporary production quotas.

Several Alberta oil companies have received communications from British interests relating that a highly satisfactory impression was left in England by the Alberta oil delegation.

* * *

Cut Gas Waste

According to the Alberta Petroleum Association, only 60 million cubic feet of gas are now produced in the crude and naphtha areas of Turner Valley due to the regulations of the Conservation Board, which have drastically reduced gas wastage. A year ago, the valley was producing 200 million cubic feet of gas, most of it burned in spectacular gas flares. The demand for gas to serve Calgary, Lethbridge and towns in Southern Alberta is only, on the average, about 20 million cubic feet a day.

There is still some gas wastage but gas flares from the old naphtha area have been practically eliminated. There must be some gas waste in the operation of crude wells as considerable gas is required to lift crude oil to the surface.

* * *

Construction of the $1,750,000 addition to the Imperial Oil refinery at Calgary is progressing. It is understood much of the old plant will be discarded as completely out of date. The new unit is due for completion early next winter.

* * *

Drilling Record

The Argus well, being drilled by Drilling Contractors, Ltd. for Pacific Petroleums. Ltd., in Turner Valley, is on the way to establish a field drilling record. It was started May 1 and was down 3,579 feet on June 22, notwithstanding the fact that drilling had to be halted for a few days while casing was set.

* * *

Even though water intrusion has made it unlikely that commercial yields will be obtained from the two wells completed on the Steveville structure, further development will be undertaken here by Anglo-Canadian and the California, a subsidiary of Standard Oil of California, according to reliable reports.

Carib. Hudson Outlook Hazy

Finds Good Showings on Lower Levels Are Disappointing

From Our Own Correspondent

VANCOUVER.—Present situation of Cariboo Hudson Gold Mines is giving directors some concern, according to Dr. W. B. Burnett, president of the company, who has written to shareholders advising them of the condition of their property physically and financially.

Dr. Burnett points out that unforeseen disturbances in the summer of 1938 made further financing difficult. Milling commenced in November, and practically the only source of funds was surplus from operations. This has not been sufficient to keep development work adequately in advance of mining, and at the present time the company finds itself nearing the end of its developed ore reserves.

The company has recovered $155,000 from the first vein which has paid for the costs of mining and milling and provided a substantial sum for development work.

"We have been disappointed that so far none of the many fine showings cut on the 600-foot level have developed into substantial ore bodies of commercial value such as those found in our earlier work," states Dr. Burnett.

"Indeed, the limited extent of the first ore body—in view of the character of the vein where first cut and the assay values— has proved both a surprise and disappointment to everyone."

Inspiration Mining Reveals Holdings

Details on the investment portfolio of Inspiration Mining and Development Co. not previously available were revealed by statement of President M. A. Thomson last Saturday. At the end of 1938, the company's marketable investments were shown at $1,087,431, market value of $1,082,750 being equal to 54 cents on each issued share. Mr. Thomson now states the company owns "sizeable amounts of Hollinger, Wright-Hargreaves, Perron, Macassa, Kerr-Addison, International Nickel, Canadian Malartic, Sladen and Waite Amulet; over 100,000 shares of East Malartic and over 100,000 shares of Malartic Goldfields.

Famous for SMOOTHNESS

As smooth as their name implies, Venus-Velvet pencils offer the smooth, easy writing of "colloidal" lead.* Never a trace of hard, scratchy grit to annoy you! Next time try an extra-smooth Venus-Velvet—and see how much more pencil satisfaction and value you get for 5¢ Made by the makers of the world-famous 10¢ Venus Drawing pencil. Your dealer has them.

*Canadian Patent No. 352,959

VENUS-VELVET PENCILS 5¢
MADE IN CANADA

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Sunray Petroleum Financing Drilling

An initial public offering of 200,000 shares at 25 cents a share is being made by Sunray Petroleum Corp. to finance completion of a well on the west flank of the Turner Valley which is already down to 2,560 ft. Eventually it is planned to sell a total of 950,000 shares.

Since the company owns 160 acres on the west flank of the Turner Valley, it can drill a total of four wells should the first well completed prove successful. Officials estimate that the oil-bearing horizon where the company is drilling should be reached around 8,110 ft. depth.

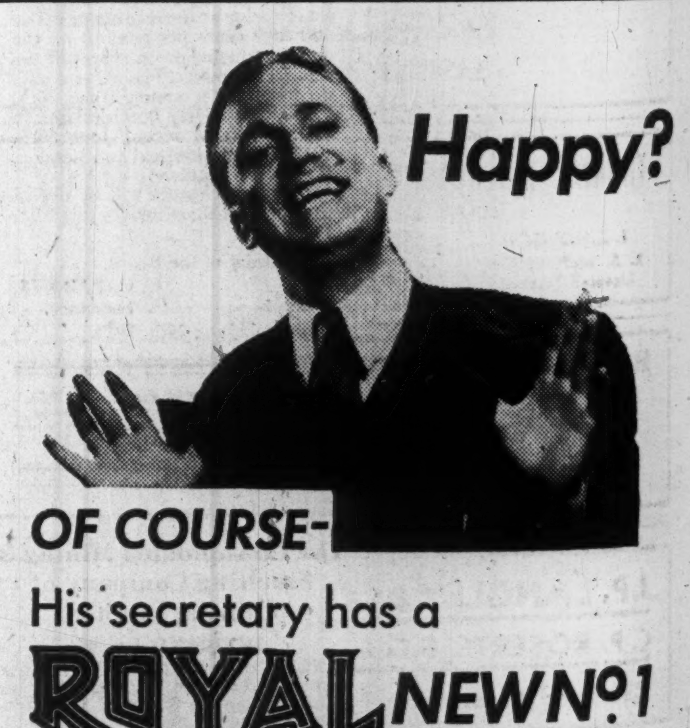
West Petroleum Offering Shares at 30 Cents Each

An offering of 400,000 shares at 30 cents a share is currently being made by West Petroleum to finance drilling operations. The company recently increased its area held on the Blood Indian reserve, from which holdings can be selected, to 180,000 acres from 148,000 acres previously held and it is anticipated 25,000 to 30,000 acres will eventually be selected from this area

One of the structures located, has had detailed exploration and a seismic survey indicates 125 ft. of closure. A geologist informs officials that possibilities of securing commercial crude oil production should be good in this section.

GENERAL STEEL WARES LIMITED
Manufacture almost every conceivable item of Metal Household Equipment from Enameled Utensils to Steel Ice Refrigerators, and
McCLARY STOVES
Also
FOOD SERVICE EQUIPMENT
For Hotels — Restaurants — Institutions
Montreal, Toronto, London, Winnipeg, Calgary, Vancouver

Opportunity for Brokers
We invite the participation of Brokers in the sale of:—
New Issue
Sunray Petroleum Corporation
(No Personal Liability)
Sunray No. 1 well, situated in the crude oil area on the "west flank" of Turner Valley, drilled to a depth of 2,560 feet.
OFFERING OF 950,000 SHARES
The net proceeds derived from the sale of a portion of the capital stock of the company will be used to complete drilling of SUNRAY No. 1 well which has reached the depth of 2,560 feet. The limestone horizon, which is in Turner Valley the oil-bearing formation, should be reached around 8,100 feet.
INITIAL OFFERING OF 200,000 AT 25 CENTS PER SHARE
For further information direct your enquiries to—
C. G. Beausoleil, *Managing Director*
SUNRAY Petroleum Corporation
613 Transportation Building
132 St. James Street West
MONTREAL Tel. PL. 7856



Happy?
OF COURSE-
His secretary has a
ROYAL NEW No. 1 with the MAGIC MARGIN*
*Trade Mark
This exclusive Royal innovation is the most welcome improvement in years. It cuts out annoying hand-setting of margins—sets them automatically at the touch of a finger.
The ROYAL New No. 1 has many similar up-to-the-minute features ... saving time and energy ... giving neater, better-looking work.
Prove it by telephoning your Royal Dealer for the DESK TEST. Put a machine through the toughest, 10-day test you can devise in your office ... at our expense.
ROYAL TYPEWRITER COMPANY LIMITED
Factory and Sales Offices:
731-735 BOURGET ST. · MONTREAL

A Broadening Profession

Has accountancy an ultimate goal? Are wider horizons in sight for the profession? Lord Stamp, president of the London, Midland and Scottish Railway and world-famous economist, recently dwelt on some of the future developments of which the profession has barely reached the threshold.

Today the chartered accountant is the arbiter of probity in our commercial and complicated financial relations. His function as a recorder of factual accuracy has been relegated to a secondary position; he is being asked more and more to give his view as an umpire between interested parties in business undertakings.

Two greater developments are even now at the door. The changes brought about in industry through the applications of science are progressive but "their validity and propriety," as Lord Stamp puts it, are dependent on exact accountancy cost measurements, and in consequence "accountancy as a language of scientific evidence is only in its infancy."

As an economic interpreter, the accountant of the future will have another important role. A planned world, in Lord Stamp's opinion, will be kept in working order only by a phenomenal development of accountancy. Adam Smith's theory of *laissez-faire* has given ground to large extensions of governmental control, and if we are to find the middle road—"that fine balanced means"—between that and the system of totalitarian control, the accountant with his arbitral conscience will have pressed upon him responsibilities of far greater measure than he has yet known.

One of a series of brief discussions of the work of the professional accountant.

CHARTERED ACCOUNTANTS

ARTHUR S. FITZGERALD
AND COMPANY
Chartered Accountants
WINDSOR ONTARIO

ALFRED WALFORD & SONS
Chartered Accountants
1112-14 Castle Bldg.
1410 Stanley St., MONTREAL
Phone: MA. 3836

Hudson, McMackin & Company
Chartered Accountants
SAINT JOHN and MONCTON, N.B.
HALIFAX, N.S.

Black, Hanson & Co.
Chartered Accountants
Winnipeg, Fort William and Port Arthur

WILLIAM F. REID
Chartered Accountant
705 Lancaster Building
CALGARY, ALBERTA

RONALD, GRIGGS & CO.
Chartered Accountants
WINNIPEG
SASKATOON

STEMPEL and PATRICK
Chartered Accountants
SASKATOON and YORKTON
Sask.

DEPENDABILITY
Its ability to get the news and interpret it accurately is what leads wise investors in Canadian securities to rely each week on
THE FINANCIAL POST
$5 One Year — $2.50 Half Year

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

WILTON C. EDDIS & SONS
Established 1885
CHARTERED ACCOUNTANTS
Federal Building, Toronto

OSCAR HUDSON & CO.
CHARTERED ACCOUNTANTS
Head Office — 199 Bay St. — Toronto, Ont.
Telephone ADelaide 2381
Branches — Montreal, Winnipeg, Vancouver

Masecar, DeRoche & McMillan
Chartered Accountants
SASKATOON, SASK.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

J.P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

SAMSON, KNIGHT & CO.
Chartered Accountants
Licensed Trustees
QUEBEC CITY

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

KEEP POSTED THIS SUMMER

Investors and business men who wish to keep abreast of the markets and trends while they are holidaying can have an extra copy of The Financial Post sent to their summer place for the next ten weeks for $1. Mail or telephone your instructions to The Financial Post, 481 University Avenue, Toronto (ADelaide 9131), or Dominion Square Building, Montreal (Marquette 2331).

Uchi Focus for Big New Effort

Brick-pouring Marks Conquest Over Space and the Wilderness

By RONALD A. McEACHERN
Mining Editor, The Financial Post

About a score of well-known Canadian mining and business men will drop in on the little frontier community of Uchi Lake this week to help Jack Hammell and his men pour the first brick at Uchi Gold Mines.

Uchi is an important addition to Canada's scintillating list of gold producers. More important, for the industry as a whole, perhaps, is the significance of the Uchi development as a conquest over space and the wilderness.

At Uchi, men and machines have made a decisive attack, pushing back the frontier still farther; making the next advance into northern vastness still easier; opening up a brand new area to the attention of the mining world.

Much Still to Do

Glance at the accompanying sketch map showing Starratt airline routes through this part of northwestern Ontario that Jack Hammell has had a major part in opening up. Out from Pickle Crow, out from Uchi, out from Red Lake—there are vast areas, as big as our known Porcupines and Kirkland Lakes, which have yet to get more than the most perfunctory examination. Remember that it is over 400 miles north, direct as an airline, between Uchi and York Factory, the little settlement in the southwest corner of Hudson's Bay.

Remember that this is exceptionally mean country for the prospector with nothing but a grub-hoe and nose for gold. It is filled with lakes, muskeg and bush, still costly to reach.

This great area won't tell its mineral story until mining groups with great resources have time to plug it with thousands of diamond drill holes. Slowly this is being done in a dozen little areas. But at the present rate of development there will be lots of ground left for deep prospecting half a century hence.

Triumph of Planning

The Uchi achievement, celebrated this week in the brick-pouring, is more than just a fast, efficient job of mine-making. It is a triumph of planning, engineering skill and of transportation.

Start with the day in July, 1938, when Mr. Hammell gave General Engineering Co. (Canada) Ltd. a contract to get a 500-ton mill built and into action before the summer of 1939.

Getting in cement foundations for buildings and machines was the first job; a job that had to be rushed to beat the winter that sneaks up pretty fast in that part of the country.

Ten thousand bags of cement were put off the train at Hudson, scowed up to Gold Pines, piled into one of the Starratt Airways Fairchilds, a ton at a time, and flown to Uchi. That cost $40 per ton. Only about 25 bags a trip. Freight cost was about $1.60 per bag and the cement cost only about 65 cents a bag. That's a big "cement" bill, $22,500.

2,800 Tons

Then there was all the assortment of big machines that go into the modern mining mill. Brought from all over Canada to Hudson, the stuff that goes in first was taken by barge up Lac Seul to Gold Pines, then flown in by air the 36 miles to Uchi. This cut freight costs considerably—down to $40 per ton for barge and 'plane. Other equipment that could wait until a later stage was barged up Lac Seul to Gold Pines, left there on the shore until snow came. Then the great tractor trains went into action and finished the job at $27 per ton.

Altogether, 2,800 tons of mill machinery and supplies were taken in one way or the other, at an average cost for the works of $40 per ton. A $112,000 freight bill altogether.

A mine like Uchi doesn't need to worry about that kind of a bill. The important thing is that Uchi has been built, that regular air-lines have been established into this new part of the country; that traffic volume has been built up helping transport companies to bring down costs and make it easier for the community to grow, for other mines to be pushed into production.

Increasing volume of traffic, improved machines, better gasoline, will bring lower air rates in the future. But look at what has already been done. Not 10 years ago, air-freight rates in that area were $200 per ton, about four times today's.

Further reduction in transportation costs will come shortly with the completion of a government highway from Gold Pines to the mine.

Power Fundamental

Another fundamental development in the Uchi set-up is electric power. Back in 1926 when the Uchi property was first staked, there was no power anywhere in the vicinity. But Red Lake—another pioneer stamping ground of Jack Hammell—became a gold camp and Ear Falls at the bottom of Lac Seul on the English River was developed by the Hydro-Electric Power Commission.

When Uchi proved it was a gold mine, T. C. James, northern supervisor for the H. E. P. C. was quite willing to talk business. He started smashing a line through the bush, over the muskeg, across lakes—at $5,000 a mile—the 48 miles, as the power lines goes—to Uchi. By January, 1939, the power was turned on. And the rate is considered excellent: about $65 per horsepower the first two years, reductions down to $35 to follow.

159-Mile Invitation

The Ear Falls plant is now producing about 10,000 horsepower. Additional equipment is now going in which will increase its production to 17,500 horsepower by the turn of the year. As other mines in the area develop, the H.E.P.C. can step up the Ear Falls output to 25,000 horsepower.

Meanwhile, another power line is being stretched through the wilderness from Uchi to Pickle Crow and Central Patricia — 113 miles. By September it is expected this new line will be finished, adding to the power now taken in that camp from Rat Rapids on the Albany River.

Hence, Uchi's needs help the whole area in another way. The new power line stretching 48 miles from Ear Falls to Uchi and 113 miles from Uchi to Pickle Crow is a 159-mile invitation for other properties to be developed and put into production. Just as railway building was a big factor in the rapid development of Cobalt, Porcupine, Kirkland Lake or Little Long Lac, so this power line may mean much to the mining future of the area.

This Picture Changed

Without moderate-cost transportation facilities, without cheap power, C. B. Dawson had a pretty bleak outlook that summer in 1927 when he did some surface work on the property that is now Uchi. It wasn't long before he turned over his property to another company. This second group sank a shaft to 110 feet and did some drifting, but soon got tired.

In addition to transportation and power, the other two things that made Uchi a gold mine were Jack Hammell and $35 gold.

Mr. Hammell picked up the property in the fall of 1936. With characteristic directness, he had his engineers and drillers on the job at once. A company was formed in the spring of 1937. By June the stock was listed on the Toronto Stock Exchange and was costing around $2.

Underground work and drills continued to confirm early hopes. Another year of development showed that a mill was justified. The $1 million bond issue to finance the mill and future development was proposed. The mine was looking good but it was more a tribute to Jack Hammell, his gold sense, his sincerity and his energy, that the bond issue was oversubscribed three or four times.

What Will Profit Be?

The mill, finished a month before schedule, is working in nicely and will soon be up to its rated capacity of 500 tons.

What profit can be expected from this operation? What does it look like from an investment point of view?

According to Mine Manager R. H. Sturgess, average grade is likely to be about $10 per ton. Operating costs, officials estimate, will be about $4. Adding on $2 to that figure for income tax, depreciation and development write-off gives a very rough overall cost figure of $6 per ton. On the basis of 500 tons per day for 350 days per year, with 2,250,006 shares now issued and allowing for 6% interest on the $1 million bond issue, that gives an approximate earnings figure of 30 cents per share.

Remember, of course, that this figure assumes millheads will be $10. Some—perhaps they are just sceptics—think millheads will prove to be lower. Last official estimate of ore reserves published gave 500,000 tons of $10 ore or 650,000 tons of $8 to $9 ore. At that time it was pointed out that a lot of this ore could only be called "in sight" because of the extensive size of the various ore bodies and the limited means of slashing them off. In general, ore exposed during stope preparation has been rather better than was expected, it appears.

There is also the assumption—yet to be proved in actual practice—that operating costs will be about $4. Some estimate costs at $3.25. The mill is one of the most modern in the North, incorporating every modern wrinkle and gadget that has proved it can cut costs. Underground, ore bodies are of a type that are likely to give pretty reasonable mining costs.

The $2 I have added per ton for taxes, development and depreciation is probably too high—perhaps by 50 cents. For one thing Uchi will get income tax exemption for its first three years of production. In any case, it is better to estimate on the pessimistic side and get surprises rather than shocks.

Resume Exploration

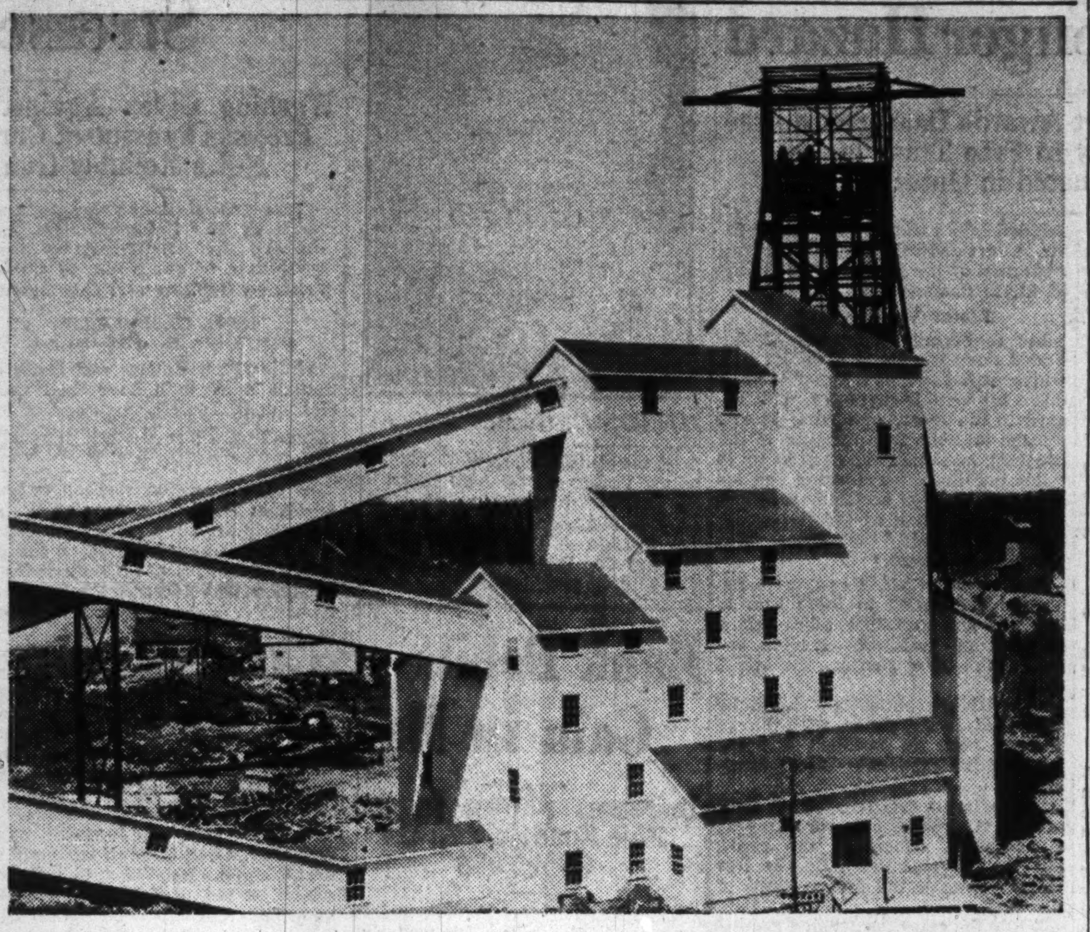
Since last fall when mill building started, all underground work has been devoted to preparing for production and no further exploration work has been done. Exploration will be resumed at once. The No. 2 four-compartment shaft is to be deepened and new levels established at 800 and 1,000 feet.

Preliminary results at the adjoining Hammell properties, Hanalda and Jalda, would indicate that Uchi can expect good things in its exploration work. It has an extensive property of 33 claims in all. Surface drilling has indicated favorable structure over a long extension to the south, and exploration of this area will be done from lower levels.

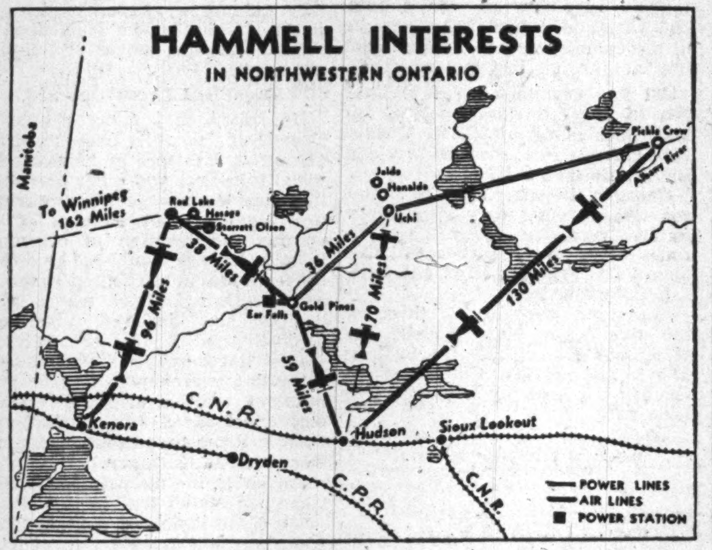
Furthermore, Uchi has in its favor a crack staff and a hard-driving efficient management. The team of Budgeon and Hattie have a fine list of successes behind them. Behind them, too, they have the dynamic Hammell.

There are only about 40 families in the town of Uchi so far, and about 200 people altogether. There is a very swank new hotel, a sawmill, Starratt Airway's office and shop, a few stores, and a radio telegraph office which operates through the Forestry Branch office at Sioux Lookout.

Once again, mining shows how it is building Canada.



The mill at Uchi will soon be at 500 tons daily.



Mining Enquiries

Return of Capital

I hold a number of shares in dividend-paying gold and base metal stocks. From time to time I have realized part of the dividends are a return of capital but I would appreciate your ideas on the subject.

Mines are wasting assets and no matter how many years' ore requirements have been blocked out by development, it is known at some future date that the last ton of material that can be treated at a profit will be put through the mill. Consequently it is only sound practice to realize dividends represent in part a return of capital.

With a company like International Nickel Co., reserves are very large, about 40 years' requirements, and little need be written off the investment due to possible mine exhaustion. When it is realized that only part of profits are being distributed in dividends and a new nickel property is being developed in Finland, the need for writing off part of the investment each year does not perhaps even apply at present.

Gold mining companies usually keep relatively small reserves blocked out ahead of the mill, usually around three to five years' requirements. While ore may be replaced each year, the life of many gold mines is relatively short and there is no doubt that the reason why yields on gold stocks are high is the fact that dividends are, in part, a return of capital. Results from case to case vary and what might be an ample allowance in the case of one company, for a return of capital, might be far too small in the case of another. Luck has a lot to do with it.

Sladen-Malartic

I have been disappointed in the market performance of Sladen-Malartic Mines.

Decline in the price of the shares of Sladen-Malartic Mines appears attributable to the failure of the company to establish really profitable operation in the part of its property now being mined. While profit of 4.6 cents a share was shown for 1938, operating losses were experienced in the first part of 1939 due to the heavy development programme being carried out. Capacity of the mill has been increased to about 500 tons daily and if average millheads can be increased to $6 per ton, as the management hopes, better profits should be realized.

Speculative interest is infused in the Sladen-Malartic situation by exploration now being carried on in the section of the property adjoining East-Malartic Mines.

Canadian Mining and Industrial Stocks
Canadian Commodities
OUR STATISTICAL STAFF WILL BE PLEASED TO ANSWER INQUIRIES REGARDING ALL CLASSES OF SECURITIES
F. J. Crawford & Co.
MEMBERS:
The Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange, Inc.
11 JORDAN ST.
TORONTO
ELgin 2201
Branches:
BARRIE
ORILLIA

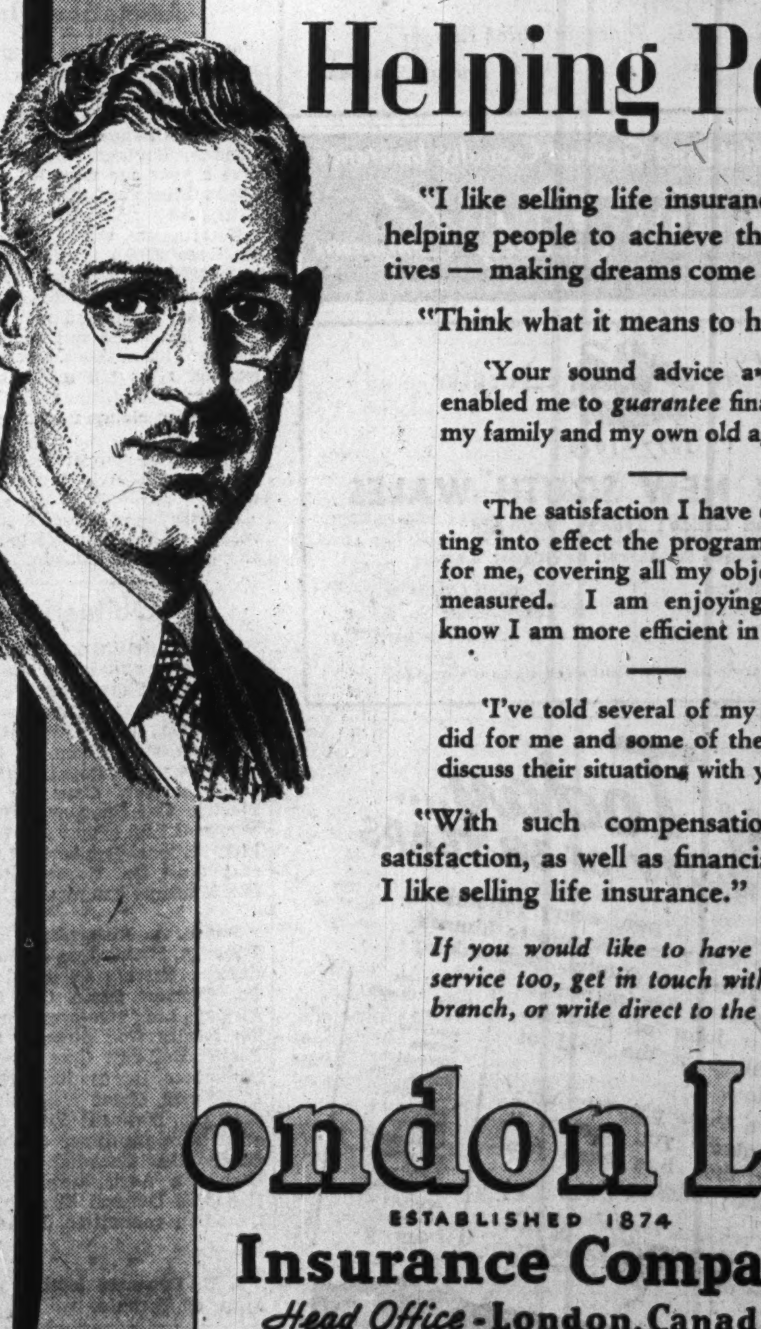
Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.
A. E. OSLER & COMPANY
Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

Support Your Credit Manager
WITH ADEQUATE TOOLS
As no single factor in your business dissipates profits as rapidly as bad debts.
Dun & Bradstreet of Canada, Limited

Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited
UNITED STEEL CORPORATION
LIMITED
TORONTO . WELLAND DODGE MANUFACTURING DIVISION CANADIAN MEAD MORRISON MONTREAL . WINNIPEG

BACHELOR CIGARS 10¢
100% Havana Filler

I like Helping People



"I like selling life insurance, because I'm helping people to achieve their life's objectives — making dreams come true.

"Think what it means to have folks say,

'Your sound advice and valuable help enabled me to *guarantee* financial security for my family and my own old age.'

'The satisfaction I have derived from putting into effect the program you worked out for me, covering all my objectives, cannot be measured. I am enjoying life better and know I am more efficient in my work.'

'I've told several of my friends what you did for me and some of them are anxious to discuss their situations with you.'

"With such compensation in personal satisfaction, as well as financially, no wonder I like selling life insurance."

If you would like to have this kind of service too, get in touch with our nearest branch, or write direct to the Head Office.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

United States Fidelity & Guaranty Company
TORONTO

THE WAWANESA
Mutual Insurance Co.
Assets $2,234,188.78
Surplus 1,057,853.38
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

HOME ASSURANCE COMPANY OF CANADA
Head Office
Lancaster Bldg., Calgary
Fire, Automobile, Health & Accident Insurance
Application for Agencies Invited.

Before You Insure Consult
Confederation Life
Association
One of the World's Great Life Insurance Institutions. Renowned for Strength, Service and Security Since 1871.

Insurance

Motorist Is Held Liable Under Passenger Hazard

Decision in Montreal Court Awards Damages to Free Passenger — Liability to Free Traveller on Highway Eliminated in Ontario

Motorists whose automobile policy does not include passenger hazard may find themselves liable for heavy damages if they have an accident in certain Canadian provinces and some states across the line.

By passenger hazard is meant liability for injuries sustained by a free passenger in an automobile. In Ontario the law was changed some years ago to eliminate this liability. But in Quebec and some other provinces and certain of the United States, the situation is different. A passenger even if being given a lift by a generous motorist can and often does claim compensation if any injury is sustained.

In Ontario it should be noted too that while a motorist is not liable to a free passenger for any damage sustained on the highway, he may be liable if the passenger is injured while the car is on a private road, or in a garage, or some place off the public highway.

Responsible to Passenger

Interest in the matter has been heightened by a recent decision in Montreal by Justice Forest of the Superior Court. Justice Forest ruled that "benevolent motorists, who give lifts, are responsible toward their passengers for any fault they may commit." Accordingly he ordered the defending automobile driver to pay damages to a man whom he was giving a free drive down town.

Details of the case were:

Mr. A was waiting on the street in Montreal, when he was signalled by Mr. B and offered a ride. The streets were slippery and the car skidded into a tram on St. James St Mr. A suffered injuries necessitating treatment at the hospital. He claimed $1,412 damages.

Motor Vehicles Act

In rendering judgment Judge Forest cited the Motor Vehicles Act, which provides that a motorist must drive his vehicle carefully, with regard to the safety of others. It was alleged that Mr. B at the time of the accident had been driving 20 to 30 miles per hour, considering the incline where the accident occurred and the condition of the pavement, the judge held the speed was "gravely negligent."

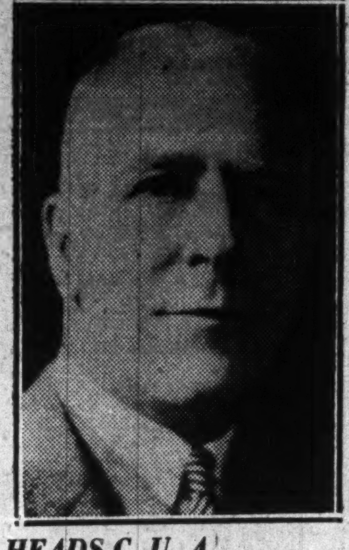
Mr. A was in Mr. B's car with the latter's permission to drive him to business and therefore there was a contract of gratuitous service between the two parties. the court ruled.

The driver's obligations could be compared, it was stated, with that of a "bon pere de famille" and his slightest fault would be his responsibility.

There is no presumption of fault against the owner of a car carrying a passenger, concluded the court, but the driver must none the less strictly observe the prescriptions of the law.

While the case was decided against Mr. B the damages were reduced to $212.

The coverage against the passenger hazard can be added to any standard automobile insurance policy by endorsement and the payment of a small fee.



HEADS C. U. A.

At the annual meeting of the Canadian Underwriters Association at St. Andrews-by-the-Sea this week, Lt.-Col. Sidney W. Band, manager for Canada of the United States Fidelity and Guaranty Co., Toronto, was elected president.

Bank Debits Gain in May

Increases Shown in All Five Economic Areas Over 1938

Canadian business as reflected in payments by cheque showed increased activity in May. Total transfers of money by cheque, at $2.8 billions, was 15% over May, 1938, and 0.7% above April. The increase in the cumulative total for the first five months over last year was 3.8%.

All five economic areas in Canada in May gained over 1938, the Maritimes being up 23.7%, Quebec 10%, Ontario 16%, Prairies 27% and British Columbia 7.7%.

Gains in the cumulative totals for the five months were also shown by all five areas, that in the Maritimes being 2.2%, Quebec 6%, Ontario 1.1%, Prairies, 5.8%, and British Columbia 9.6%

Compared with April, three of the five areas were higher, the Maritimes gaining 26%, the Prairies 15.5%, and British Columbia 1%. Quebec fell back by 5.5% and Ontario 0.8%.

Comparative figures follow:

Debits to Individual Accounts
Millions of Dollars

	May 1939	April 1939	May 1938
	$	$	$
Maritimes			
Halifax	40.5	24.8	26.2
Moncton	9.0	7.5	9.1
Saint John	16.2	14.1	17.8
Total	65.7	46.4	53.2
Quebec			
Montreal	793.5	722.7	742.0
Quebec	81.2	93.0	52.3
Sherbrooke	7.4	5.7	6.8
Total	882.2	821.5	801.2
Ontario			
Brantford	9.9	7.8	9.4
Chatham	7.9	5.8	7.6
Fort William	5.4	4.3	5.4
Hamilton	52.0	48.3	50.8
Kingston	7.0	5.5	6.1
Kitchener	12.8	10.6	12.3
London	35.8	29.3	32.4
Ottawa	104.7	107.9	134.3
Peterborough	5.7	5.3	5.9
Sarnia	7.8	6.2	5.9
Sudbury	7.6	6.2	7.5
Toronto	998.3	860.9	801.4
Windsor	39.8	37.4	36.0
Total	1,295.2	1,134.0	1,115.6
Prairies			
Brandon	2.8	2.4	2.7
Calgary	46.1	46.4	44.7
Edmonton	38.3	37.3	36.6
Lethbridge	4.3	4.2	3.9
Medicine Hat	2.2	2.1	1.8
Moose Jaw	6.3	5.4	5.1
Prince Albert	2.2	1.8	2.1
Regina	54.3	35.2	38.2
Saskatoon	9.8	8.3	9.4
Winnipeg	270.6	167.8	199.6
Total	437.1	311.2	344.4
British Columbia			
New Westminster	6.1	6.2	6.0
Vancouver	125.7	121.7	116.4
Victoria	26.9	31.7	24.8
Total	158.8	159.7	147.4
Total for Canada	2,839.2	2,473.0	2,461.8

Insurance Notes

Charles E. Geoffrion has been reelected president of the Insurance Brokers Association at Quebec.

* * *

After 44 years of service, D. F. Macdonald, head office cashier of the Great West Life Assurance company has retired. Mr. Macdonald joined the Great West as junior clerk in 1895. He has served as cashier for over 30 years.

* * *

The London Life Insurance Company has recently appointed R. M. McNaughton, manager of the company's industrial branch, at Halifax, N. S. The company's ordinary branch there, is in charge of N. S Thompson.

* * *

It may surprise some of the policyholders to know that the London Life Insurance Co. has no investment department. In the last issue of London Life Topics, the company's house organ, it is stated that in 1936 the old investment department was divided into two separate divisions, one, the Mortgage Department and the other the Securities Dept., the work being shared as indicated. This move, the article says, was necessitated by the size of the company's investments. Securities held by the company now total $60 millions. Mortgages and agreements for sale at the end of 1938 were over $45 millions.

* * *

Lyle C. Monk of the Canada Life Assurance Co. has been elected chairman of the Montreal chapter of the Chartered Life Underwriters Association.

* * *

Robert S. Day & Son Ltd., Vancouver, one of the oldest insurance agencies in British Columbia has been appointed provincial general agent for the London-Canada Insurance Co.

* * *

The National Protection Assurance has been incorporated in Quebec province to write fire, automobile, inland transportation, property damage, including explosion, accident, sickness, aviation, and plate glass insurance.

The head office will be at St. Johns. Capital stock is $500,000 of shares of $100 each.. Those connected with the new company are Aime J. Tremblay, Olivier H. Charbonneau Oscar Lenoir, Lucien Brouilette and Amedee Belanger.

May Life Insurance Sales Best for Month Since 1931

Sales of new ordinary life insurance in Canada and Newfoundland in May, at $33.6 millions, were 10.9% over last year. This is the first increase in monthly sales over the previous year since March, 1938. The figures are also the largest for any May since 1931, when sales were $40 millions.

Increases were shown in Newfoundland, and all provinces except New Brunswick, Prince Edward Island and Quebec. The gain in Ontario, which did nearly 50% of the business, was over 18%. The greatest gain per cent was in Saskatchewan where sales were up 29.2%. Declines in Quebec and New Brunswick were small at 1.26% and 1.43% respectively. The decline in Prince Edward Island was 23.9%.

Life insurance men report a better feeling in business. People appear more confident and evidently are finding the money to buy life insurance,

The figures are given out by the Canadian Life Insurance Officers Association, and are based on returns from 18 companies having 84% of the total insurance in force, exclusive of group and wholesale insurance, annuities, pension bonds without insurance, revivals, etc.

Total sales for the five months at $156.7 millions are 1.19% from last year.

Total sales of new paid for ordinary insurance in the United States in May, exclusive of group, were 9% over last year. Total for the first five months was up 14%.

Life Insurance Sales
($000 omitted)

	May 1939	May 1938
British Columbia	2,637	2,460
Alberta	1,422	1,276
Saskatchewan	978	757
Manitoba	2,146	1,863
Ontario	15,736	13,264
Quebec	8,028	8,131
New Brunswick	756	767
Nova Scotia	1,333	1,242
Prince Edward Island	108	142
Newfoundland	513	440
	33,657	30,342

Sales by Months, 1936-1939
($ 000 omitted)

	1936	1937	1938	1939
Jan.	33,347	27,789	30,606	30,434
Feb.	28,834	30,619	31,204	30,879
Mar.	30,552	32,322	32,796	33,578
Apr.	28,876	32,562	29,981	28,229
May	28,411	31,916	30,342	33,657
June	31,247	37,908	35,120	.....
July	31,396	32,040	30,126	.....
Aug.	23,547	28,411	27,996	.....
Sept.	28,090	27,730	27,442	.....
Oct.	29,402	33,416	31,854	.....
Nov.	36,710	38,020	36,611	.....
Dec.	34,146	37,125	35,827	.....

Alliance Assurance Assets Show Increase

Total income of $36.5 millions, consisting of $29.8 millions in premiums and $6.6 millions in interest from investments etc. is reported for 1938 by the Alliance Assurance Co. of London, England. Comparable figures a year ago were $35.3 millions, $28.3 millions and $7 millions respectively.

Total assets, with £1 calculated at $5, were $209.9 millions, compared with $206 millions last year. Of the total amount, $142.9 millions consists of stocks, bonds and real estate.

Life insurance and annuity funds totalled $132 millions, reserve for unexpired risks $10 millions, reserve for sundry liabilities $3 millions, and reserve for claims under adjustment $6.6 millions.

Surplus to policyholders including paid up capital at the end of 1938 was $58 millions.

The company writes a substantial volume of fire, automobile and casualty business in Canada.

Obituaries

Julian C. Smith, president, Shawinigan Water and Power Co., Quebec Power Co., Shawinigan Falls Terminal Railway Co., Canadian Light & Power Co., United Securities Ltd., vice-president, Dominion Engineering Works Ltd., Royal Bank of Canada; director, Canadian General Electric Co., Saguenay Power Co., Montreal Light Heat and Power Co. Ltd., National Breweries Ltd. Montreal Trust Co., Consolidated Paper Co., Montreal Tramways Co.

* * *

James A. Richardson, president, James A. Richardson & Sons, grain dealers, Eastern Terminal Elevator Co., Pioneer Grain Co., Canadian Airways Ltd.; vice-president, Guardian Realty Co.; director Canadian Pacific Railway, Canadian Bank of Commerce, International Nickel Co. of Canada, Great West Life Assurance Co., National Trust Co., Canadian Fire Insurance Co., Hamilton Bridge Co., Canadian Vickers Co., Dominion Agricultural Credit Co., Canadian General Electric Co., and Canadian committee, Hudson's Bay Co.

* * *

J. E. Edwards, leather manufacturer of Toronto.

Joined Claims Department

W. J. Howse has joined the claims department of the Zurich General Accident and Liability Ins. Co. at Toronto. Mr. Howse was formerly with Adamsons Ltd. adjusters at Toronto.

Motorists' Handbook For 1939 is Issued

The Ontario Motorists' Handbook—1939, just issued, contains a great deal of useful information for the automobile driver or owner. Some of the data are given by question and answer method; some of them by a straight statement of fact. One section deals with automobile insurance telling different coverages available and what they include. Traffic laws in Ontario and elsewhere are summarized. The book is published by Lillian D. Miller, 131 Bloor St., Toronto; price 25 cents.

The Independent Order of Foresters
The Certificates issued by The Independent Order of Foresters furnish a wide range of insurance protection. Membership covering in addition valuable fraternal benefits.
Mortuary Benefits, Sick Benefits, Disability Benefits, Old Age Benefits, Monthly Income Disability, Automatic Non-forfeiture Privileges, and Certificates maturing at ages sixty and sixty-five.
ASSETS OVER $44,000,000.00
FRANK E. HAND, Supreme Chief Ranger
Head Office: Toronto, Canada

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
CONCOURSE BUILDING TORONTO

Banking Service
1817-1939
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £127 millions. Over 900 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

Enjoy Today.... THE SECURITY OF 38 YEARS
By the single stroke of a pen, every reputable insurer against fire today may secure to himself the fruits of 38 years of careful, painstaking building by this leading fire insurance Company . . . a form of absolute protection unexcelled in the field of fire insurance today.
When you insure your property with Northwestern Mutual, you protect it with a security that has been two generations in the building.
Branches Across Canada: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Moncton, Winnipeg, Saskatoon, Calgary, Edmonton, Victoria, Kelowna, Vancouver
DIVIDEND-PAYING POLICIES. The Northwestern Mutual Fire Association is operated purely for the benefit of its policyholders. All policies pay dividends from the earnings of the Company.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Assets $8,501,320

Banking

Danger of Inflation Stressed By Towers

Warning Given Against Financing of Government Projects by Issue of Currency—Totalitarian States Not a Reliable Guide in Currency Matters

This is the sixth of a series of articles in The Financial Post reviewing the proceedings of the committee of the House of Commons on Banking and Commerce.

By D. G. MacLEAN
Staff Writer, The Financial Post

While silver dollars and Bank of Canada notes both have their uses, Graham F. Towers, governor of the Bank of Canada, is of the opinion that it is possible to have too much of them.

In discussing the respective proposals of G. G. McGeer and W. A. Tucker to finance a large part of the Government expenditures by the issue of silver dollars or Bank of Canada notes, Mr. Towers early expressed his fear of either practice leading to inflation.

He freely admitted that it was possible to issue currency or central bank credit, as an alternative to borrowing or taxation, to finance Government expenditures. He added that it is within the powers of Parliament to provide the necessary legal authority to do so. It was not, however, he indicated, a matter of what was possible or legal but what was wise. Over issue of currency or credit could easily lead to inflation which, if persisted in, would have very bad results.

While he paid the advocates of increased issue of currency or bank credit the tribute that he believed they did not wish their policies to result in inflation, he seemed quite certain that the danger of inflation was great.

Organized Labor Opposed

He stated that many people in Canada, if they fully understood the disrupting influence of inflation, the social injustices and other hardships it causes, would object to any measures leading to it. He was of the opinion the reaction of organized labor in Canada would not be different from that in the United Kingdom and the United States, where labor leaders had declared vigorously against inflation. Other countries whose governments have resorted to issuing currency to finance government expenditures, he pointed out, experienced very unfortunate results. From time to time reference was made to Germany.

Earlier in the discussions Mr. McGeer had stated that in the last 20 years there had been a great many experiments carried on throughout the world to make the supply of money for government and people less costly.

In Germany

To this Mr. Towers replied "Yes indeed, I recall the German experiment of 1923."

Mr. McGeer: "Yes we will deal with that too. But we have also the German experiment of 1933 to 1939 have we not?

Mr. Towers: "We have."

Mr. McGeer: "And do you suggest for one moment that the Germans have not been able to build up, out of defeat and debt and repudiation, the most powerful military organization that Europe has ever known?"

Mr. Towers: "I agree. You will find that in a totalitarian state, the urge to tinker with money disappears; because, when everything is in the one man's hands, he realizes that men and materials are what count. That is how they built up."

Mr. McGeer: "The statement is made by the German high command that they are issuing currency in Germany against the productive power of that state, and that because they have resorted to that practice, they have been able to reorganize the military power, the productive power and the employment power of the German people. You have heard that statement have you not?"

Mr. Towers: "None of the Germans whose understanding of that situation is accurate would put the monetary end in anything more than third or fourth place. It is the other things they have done which have produced the results."

Mr. McGeer: "I quite agree. But the point is that to get what they have secured, they had to have a medium of exchange, did they not?"

Matter of Law

Mr. Towers: "No, I should say that principally they have to have laws determining exactly what the people should do, what they should eat, what wages they should receive and, in general, how their lives should be regulated. Once that rigid system is installed, you can play pretty well any games with money that you want to play."

Mr. McGeer: "But in the beginning they have to finance the production of arms do they not?"

Mr. Towers: "They do; which after a very short delay they accomplish by taking it back from the people in taxation or by making the people forego consumption by some other method."

Mr. McGeer: "In any event.... the volume of currency in circulation has to be equated to the rate of progress?"

Mr. Towers: "To the rate of progress of the country as a whole."

Later Mr. Towers stated that if the Government wanted to adopt a policy of increasing the volume of currency by the issue of silver dollars or presumably the issue of other kinds of currency, and if this additional money provided by the issue of currency were actively used, the result would be inflation.

Position of Central Bank

He pointed out that when the establishment of the Bank of Canada was being considered in Canada, one of the chief reasons advanced against its foundation was that a central bank would provide such an easy way of creating money, that the temptation to make immoderate use of it would be too great to resist. As the Bank of Canada has only been in force four years the real test of its ability to adhere to a policy of moderation has yet to come, he added.

The Real Cost

The shortage of money was not regarded by Mr. Towers as the main problem. The real cost of government expenditure he states was the use of labor and equipment. The fundamental problem is whether the country can afford to devote a certain amount of its productive resources to the projects in question. The problem of how the government can obtain the money which will give it the title to the use of labor and equipment may present considerable technical difficulties but it is not the fundamental problem.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

J. A. E. BESNER, manager Crysler, Ont., to be manager, Plantagenet, Ont.

R. COMMONS, manager Burns Lake, B.C., to be manager, Quesnel, B.C.

W. R. CRUIKSHANK, manager Amherst, N.S., to be manager, Charlottetown, P.E.I.

H. R. DOVE, manager Courtenay, B.C., to be manager, Cambie and Broadway, Vancouver, B.C.

H. L. GAGNON, manager Barcelona, Spain, to be manager, Paris, France.

J. L. KINSELLA, accountant Mt. Royal and St. Lawrence Avenues, to be manager St. Louis and Belanger, Montreal.

J. H. E. LEHOUX, manager St. Denis and Belanger, Montreal, to be manager, Crysler, Ont.

D. B. MACLEAN, manager Quesnel, B.C., to be manager, Courtenay, B.C.

S. L. MURARY, supervisors' department, Halifax, to be manager, Gottingen St., Halifax.

J. L. VICKERSON, manager, Moose Jaw, to be manager, Regina, Sask.

A. W. HYNDMAN of Charlottetown, P.E.I., retired on pension.

The Bank of Nova Scotia announces the following staff changes:

T. L. McGHIE to be manager, Sarnia, Ont.

F. BELL to be manager College and Bathurst, Toronto.

G. A. STEWART to be manager, Milverton, Ont.

K. S. RUSSELL to be manager Bank and Gloucester, Ottawa.

W. R. BERFORD, manager, Bank and Gloucester, Ottawa, retires on pension.

H. E. HOPGOOD to be an inspector.

I. ROSS to be an inspector.

T. R. JONES, manager, College and Bathurst, Toronto, retires on pension.

The Dominion Bank announces the following staff changes:

N. J. O'FLYNN, manager, Yonge & Hayden Sts., Toronto, to be manager, Rosedale, Toronto.

J. M. R. TORRIE, manager, St. Catharines, to be manager, Yonge & Hayden Sts., Toronto.

S. T. ORGAN, manager, Hespeler, Ont., to be manager, St. Catharines, Ont.

W W. HEANEY, accountant, London, Ont., to be manager, Hespeler, Ont.

The Bank of Nova Scotia announces the following staff changes:

JAMES BRYDON, to be manager, Renfrew, Ont.

W. S. SHIELDS, to be manager, Grand Bank, Nfld.

Bank of Canada Weekly Statement

Increases of $3.6 millions in Bank of Canada reserves of sterling and United States currency, and of $1.5 millions in reserves of other currencies are shown in the bank's statement for the week ending June 21. The increases probably reflect payment for gold sold abroad. Holdings of Dominion Government short term bonds were down $4 millions. Deposits of the Dominion Government were up $3.7 millions. Deposits of the chartered banks were $5 millions lower.

Balance Sheet

	June 21 1939	June 14, 1939
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	165,036,074	165,582,063
Rest fund	1,903,515	1,903,515
Depos.: Dominion	36,193,885	32,476,640
Banks	200,867,124	205,323,008
Other	4,746,240	4,621,451
Total deposits	241,807,249	242,421,099
All other liabs.	2,030,090	2,104,811
Total liabs.	415,776,928	417,011,488
Assets		
Reserve: Gold	205,671,867	205,607,709
Res. in sterling and U. S.	45,901,679	42,228,067
Other curr.	1,689	106
Total reserve	251,575,235	247,835,882
Subsidiary coin	411,960	411,813
Investments:		
Dom. govt. short	107,780,014	111,852,775
Other Dom. govt.	52,102,227	52,445,424
Total invest.	159,882,241	164,298,199
Premises	1,657,831	1,657,715
All other assets	2,249,661	2,807,879
	415,776,928	417,011,488
Reserve ratio	61.83%	60.74%

Bank Chat

Extensive improvements will be made to the Kingston branch of the Royal Bank of Canada. The space now occupied by the bank is to be enlarged to include the adjoining store. New exterior walls are to be erected. Architects' plans call for the new interior to be horse-shoe shaped. Accommmodation will be provided for five tellers. Old cages will be done away with in favor of the low-screened type. New safety deposit vaults will be installed. Front and side walls will be of limestone.

* * *

Use of gold and silver in Finland has increased enormously in the last four years, according to reports from that country. In 1938, it is stated, the the amount of these precious metals imported was more than double that of 1935. The increase is pointed to as an indication of improved prosperity but it is probably due in part to hoarding.

* * *

Angus H. MacGillivray, formerly with the Bank of Toronto, has joined the firm of Gundersen and Dean, general insurance brokers, Hamilton, Ont.

Weekly Bank Clearings

	June 22 1939	Change Year Ago	June 15 1939
	$	%	$
Halifax	2,602,439	+8.6	1,841,968
Saint John	1,883,675	+9.7	1,488,441
Moncton	768,779	—5.8	647,431
Sherbrooke	719,687	—4.1	638,746
Quebec	4,696,157	—5.6	4,919,848
Montreal	118,476,957	+22.0	94,396,682
Ottawa	16,530,014	+1.6	14,757,659
Kingston	571,445	+1.0	532,550
Peterborough	708,884	+21.1	703,971
Toronto	118,353,509	+6.5	117,622,303
Hamilton	5,860,748	+11.1	5,121,233
Kitchener	1,131,885	+3.2	959,944
Brantford	1,018,824	+2.3	815,714
London	3,059,309	—15.6	2,480,328
Chatham	653,109	+16.1	498,482
Sarnia	616,013	+5.4	472,034
Sudbury	911,071	—2.3	1,118,818
Fort William	739,489	—7.7	575,364
Winnipeg	33,716,926	+44.8	29,928,313
Brandon	313,852	—0.7	304,635
Regina	3,444,525	+26.8	2,610,307
Moose Jaw	584,309	+28.0	482,163
Saskatoon	1,102,389	+1.0	1,041,161
Prince Albert	304,224	+2.8	248,678
Edmonton	3,952,650	+2.4	3,697,116
Medicine Hat	223,953	+15.7	202,220
N. W'minster	618,177	—5.7	654,532
Vancouver	17,736,302	+11.2	15,825,198
Victoria	1,875,079	+4.9	1,699,493
Calgary	4,797,386	—4.8	4,212,891

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building ..... Edmonton, Alta.
221A-8th Ave. W. ..... Calgary, Alta.
McCallum-Hill Building ..... Regina, Sask.
411 Avenue Building ..... Saskatoon, Sask.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office: Toronto, Ont.
ALL PROFITS FOR POLICYHOLDERS

CONTINENTAL LIFE
FOUR SQUARE
Four Square Security for You and Your Family
TOTAL ASSETS EXCEED $9,500,000.00
A PURELY CANADIAN COMPANY
ESTABLISHED 1899
President JOHN W. HOBBS
Managing Director NEWTON J. LANDER

THE STANDARD LIFE ASSURANCE COMPANY
OF EDINBURGH
Announces a new PERSONAL PENSION PLAN
Ask for details of the PROVIDENT PENSION POLICY
HEAD OFFICE: 3 GEORGE STREET, EDINBURGH
HEAD OFFICE FOR CANADA: 391 ST. JAMES ST., MONTREAL
All policies are written and issued in Canada and claims are admitted and paid by the Canadian Board of Directors

EDINBURGH CASTLE · SCOTLAND
Branch Offices are maintained in the following cities: Montreal, P.Q., Toronto, London, Ottawa and Hamilton, Ont., Fredericton and Saint John, N.B., Halifax, N.S., and Vancouver, B.C.

ALLIANCE POSITION FURTHER STRENGTHENED
1824 MULTI SOCIETATE TUTIORES
EXTRACTS FROM THE COMPANY'S REPORT FOR THE YEAR 1938
INCOME
Premiums ..... $ 29,850,831
Interest from Investments, etc. 6,696,745
$ 36,547,576
CONSOLIDATED BALANCE SHEET
Assets
Stocks, Bonds & Real Estate $142,993,421
Mortgages & Loans 58,219,121
Agency & Sundry Balances 3,985,746
Cash in Bank and on Hand 2,689,057
Interest Dividends, etc. accrued 2,022,556
$209,909,901
Liabilities
Life Assurance & Annuity Funds $132,064,727
Reserve for Unexpired Risks 10,009,125
Reserve for Sundry Liabilities 3,130,422
Reserve for Claims under adjustment 6,631,683
$151,835,957
Surplus to Policy Holders including paid up Capital 58,073,944
$209,909,901
($5 taken as equivalent to £1 sterling)
ALLIANCE ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
ESTABLISHED 1824
HEAD OFFICE FOR CANADA
BARCLAY'S BANK BLDG., MONTREAL
Manager for Canada: E. E. KENYON